



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED

08-17-07
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In the matter of the Application of the
GOLDEN STATE WATERCOMPANY (U 133 W)
for an order authorizing it to increase rates for
water service by \$2,812,100 or 32.61% in the year
2008; by -\$178,700 or -1.51% in 2009; and by
\$109,900 or 0.92% in 2010 in its Arden Cordova
Customer Service Area.

Application No. 07-01-009
(Filed January 5, 2007)

In the matter of the Application of the
GOLDEN STATE WATER COMPANY (U 133 W)
for an order authorizing it to increase
rates for water service by \$492,400 or 8.57% in
2008; by \$122,500 or 1.94% in 2009; and by
\$160,000 or 2.47% in 2010 in its Bay Point
Customer Service Area.

Application No. 07-01-010

In the matter of the Application of the
GOLDEN STATE WATER COMPANY (U 133 W)
for an order authorizing it to increase
rates for water service by \$214,200 or 12.99% in
2008; by \$20,500 or 1.10% in 2009; and by
\$32,800 or 1.72% in 2010 in its Clearlake
Customer Service Area.

Application No. 07-01-011

In the matter of the Application of the
GOLDEN STATE WATER COMPANY (U 133 W)
for an order authorizing it to increase
rates for water service by \$1,107,200 or 52.69%
in 2008; by \$69,900 or 2.17% in 2009; and by
\$145,400 or 4.43% in 2010 in its Los Osos
Customer Service Area.

Application No. 07-01-012

In the matter of the Application of the
GOLDEN STATE WATER COMPANY (U 133 W)
for an order authorizing it to increase rates
for water service by \$1,432,900 or 43.95% in
2008; by -\$89,500 or -1.89% in 2009; and by
\$33,000 or 0.71% in 2010 in its Ojai Customer
Service Area.

Application No. 07-01-013

In the matter of the Application of the GOLDEN STATE WATER COMPANY (U 133 W) for an order authorizing it to increase rates for water service by \$2,937,400 or 36.15% in 2008; by \$455,100 or 4.09% in 2009; and by \$310,900 or 2.67% in 2010 in its San Maria Customer Service Area.	Application No. 07-01-014
In the matter of the Application of the GOLDEN STATE WATER COMPANY (U 133W) for an order authorizing it to increase rates for water service by \$1,605,100 or 16.96% in 2008; by \$113,300 or 1.02% in 2009; and by \$222,000 or 1.97% in 2010 in its Simi Valley Customer Service Area.	Application No. 07-01-015

STIPULATION

1.00 Introduction

- 1.01 This Stipulation resolves a portion of the issues in the general rate case (GRC) application of the Golden State Water Company (GSWC) (U133W) for an increase in its general rates for water service in its Region I Customer Service Area, A. 07-01-009.
- 1.02 The Parties to this Stipulation are GSWC and the Division of Ratepayer Advocates (DRA) of the Commission, collectively referred to as the "Parties."
- 1.03 DRA reviewed GSWC's GRC application, which was formally filed on January 5, 2007; made field tours of the water system, and appeared at Public Participation Hearings held in Bay Point, Pittsburg, Clearlake, Los Osos, Rancho Cordova, Santa Maria and Ojai. On May 14, 2007, DRA filed its "Report on the Results of Operations"; "Report on the Region I Administrative Offices"; and "Report on the Cost of Capital". On several occasions beginning on June 15, 2007, the Parties met and conferred. The Parties' stipulations are set forth in following pages:
- 1.04 Attached are the following appendices:
- Appendix A – Comparative Summary of Earnings
Appendix B – Region I Capital Budget Items Stipulated between DRA and GSWC
- 1.05 The Parties agree that neither signatory to this Stipulation nor any employee of DRA or GSWC assumes any personal liability as a result of

this Stipulation. The Parties agree that no legal action involving any matter related to this Stipulation may be brought in any state or federal court or in any other legal forum against any individual signatory or employee representing the interests of the Parties, any attorney representing the Parties, or the Parties themselves. Any interpretation of this Stipulation, including all rights and remedies of the Parties, shall be decided by the Commission. Furthermore, the Parties understand and intend that according to Commission rules and regulations, the Commission's acceptance and adoption of this Settlement may not be used as a precedent or a policy of any kind for or against any of the Parties or any other water corporation, in this or any future proceeding.

- 1.06 After conducting discovery, negotiating in person, and analyzing their respective interests and claims, the Parties have determined that this Settlement is in their best interests and more cost-effective than undertaking the expenses, delays, and uncertainties of an evidentiary hearing. The Parties jointly request that Commission accept and adopt this proposed Settlement as reasonable, consistent with the law, and in the ratepayers' interests

2.00 Plant

2.01 Region I Plant Additions

GSWC and DRA have resolved some of the differences regarding plant additions in GSWC's Region I. It should be noted that the issue of the amount of overhead and contingency to be applied to the capital budgets will not be finally determined until the Commission rules on these issues. The stipulated capital budgets attached as Appendix B reflect either the overhead rates that GSWC requested, 20.75% in 2007, 26.81% in 2008 & 33.14% in 2009, or DRA's recommended overhead rates of 6.61% in 2007, 17.74% in 2008 and 20.82% in 2009, or a fixed amount, as specified in the notations included in Appendix B.

Advice Letter Treatment

- 2.02 Advice Letter Projects – DRA and GSWC agree that GSWC is authorized to file advice letters seeking authorization to include in rate base, upon completion, the actual costs of the plant additions set forth herein and to receive a corresponding rate adjustment for the additional rate base. Second, the Parties agree to request that the final decision contain an ordering paragraph authorizing each and every advice letter project contained herein. Third, it was agreed upon that the cap on these advice letter projects will only include the overhead and contingency rate that the Commission determines in this proceeding.

Arden Cordova Coloma Reservoir #1 – GSWC requested approval of \$246,000 (\$185,370 plus 20.75% overhead and 10% contingency) in 2007 to replace the roof support system and recoat the interior of the Coloma Reservoir #1. DRA recommended \$78,000 (\$70,000 plus 6.61% overhead and 5% contingency) in 2007 to recoat the interior of the reservoir. After discussions between GSWC and DRA it was agreed that GSWC would initiate a survey by an outside consultant to establish the need to replace the roof support system. If the consultant agrees with GSWC's determination of the need then GSWC may file an advice letter to include in ratebase the cost of the survey, the replacement of the roof support system and to recoat the interior of the reservoir not to exceed \$191,370 plus \$6,000 for the Engineering Survey plus overhead and contingency as resolved by the Commission in this proceeding. If it is determined by the survey that the roof support system does not need replacement then GSWC may file an advice letter to include in ratebase the cost of the survey and to recoat the interior of the reservoir not to exceed \$76,000 plus overhead and contingency as resolved by the Commission in this proceeding.

Bay Point Purchase Hill Street Property – GSWC requested \$452,000 to purchase the residential property adjacent to its Hill Street Treatment Plant to accommodate the treatment modules identified by GSWC as necessary to remove DDBP precursors as required by the Enhanced Surface Water Treatment Rule and the Stage Two Disinfection and Disinfection By-Products (DDBP) Rule. DRA recommended \$0 due to the uncertainty that the project would be successfully completed. After discussions between GSWC and DRA it was agreed that after close of escrow of the purchase of the property GSWC may file an advice letter to include the cost in ratebase capped at \$452,000 as resolved by the Commission in this proceeding.

Simi Valley Brineline Study – GSWC requested \$117,000 (\$80,000 plus 33.14% overhead and 10% contingency) to participate in a regional study to determine the efficacy of extending the Brineline to Simi Valley. DRA recommended that the Company should not ratebase these costs and instead should expense them. In addition, DRA recommended that GSWC should obtain cost recovery through an Advice Letter once such costs are actually incurred. GSWC agreed with this recommendation.

2.03

Region 1 Construction Work in Progress – GSWC forecasted a Construction Work in Progress (CWIP) to be closed in 2007 for each of its operating areas. The issue was resolved between GSWC and DRA as follows:

<u>Operating Area</u>	<u>GSWC</u>	<u>DRA</u>	<u>Settlement</u>
Region 1 Headquarters	\$2,894	\$2,894	\$2,894
Northern District Office	\$0	\$0	\$0

<u>Operating Area</u>	<u>GSWC</u>	<u>DRA</u>	<u>Settlement</u>
Coastal District Office	\$28,054	\$28,054	\$28,054
Arden Cordova	\$3,506,217	\$3,472,302	not resolved ¹
Bay Point	\$268,100	\$268,100	\$268,100
Clearlake	\$436,168	\$436,168	\$436,168
Los Osos	\$848,050	\$100,709	\$360,672
Ojai	\$556,963	\$122,810	\$260,549
Santa Maria	\$675,901	\$323,467	\$425,385
Simi Valley	\$435,573	\$151,200	\$203,394

In addition it was agreed by GSWC and DRA that an audit of the Company's CWIP account should be performed by an outside third party firm. The purpose of the audit will focus on GSWC's regulatory accounting practices regarding CWIP and it's inclusion in rate base. The audit will also review compliance with Commission's guidelines, rules, and decisions. Also to be considered is whether GSWC's CWIP balance should be excluded from rate base and instead allow GSWC to record an Allowance for Funds Used During Construction (AFUDC) for some or all of its constructions projects.

DRA will be responsible for selecting the auditor, and will provide to GSWC prior to the initiation of the audit a copy of the audit scope. GSWC agrees to reimburse the Commission for the cost of the audit. Prior to the initiation of the audit, GSWC will establish a memorandum account to capture and track all expenses related to the audit. Once the audit is completed, GSWC will be allowed to recover the cost of the audit through an advice letter filing. The audit will be performed during the GSWC's Region II and III General Rate Case (GRC) to be filed in July 1, 2008 under the revised rate case plan. The audits findings, conclusions and recommendations will be addressed in the Region II and III GRC proceeding.

¹ The amount of CWIP to be closed in 2007 for Arden Cordova was not resolved between the parties, due to its inclusion of the Arden System Master Plan, which is a component of CWIP and was disputed by DRA. That issue will be determined by the Commission. GSWC's requested amount included a recorded balance of \$128,586 as of December 31, 2006 and an additional amount of \$33,914 to complete the Plan in 2007.

Other Ratebase Items

2.04

Depreciation Accrual Rates

GSWC and DRA utilized the same methodology and depreciation accrual rates to forecast plant depreciation. DRA agreed with GSWC's composite depreciation rates for each of the individual Operating Areas as follows:

Operating Area	Composite Depreciation Rate
Region 1 Headquarters	10.15%
Northern District Office	28.88%
Coastal District Office	19.69%
Arden Cordova	3.32%
Bay Point	3.45%
Clearlake	3.84%
Los Osos	3.33%
Ojai	4.15%
Santa Maria	3.76%
Simi Valley	3.40%

2.05

Working Cash Lag days

DRA accepted GSWC's methodology for calculating Working Cash. The Working Cash calculation is based on the adopted expense applied to the stipulated average number of lag days. The excess of the Collection Lag Days over the Payment Lag Days is multiplied by the Daily Total of Expenses, Taxes and Depreciation. The Working Cash calculation will be adjusted to include the adopted level of expenses in this case.

3.00

Sales

3.01

Customers (Connections)

GSWC and DRA used the methodology prescribed in the new Rate Case Plan (RCP) to forecast customer growth within each Customer Class. The methodology used by both GSWC and DRA to forecast customer growth was the five year average increase by customer class.

Arden Cordova

<u>Customer Class</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Commercial	4,316	4,626	4,936
Industrial	4	4	4
Public Authority	26	26	26
Irrigation	518	585	652
Resale	0	0	0
Reclaimed Water	0	0	0
Other	0	0	0

Flat Rate

Commercial	11,103	11,044	10,985
Private Fire	548	562	576

Total	16,515	16,847	17,179
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Bay Point

<u>Customer Class</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Commercial	4,876	4,880	4,884
Industrial	7	7	7
Public Auth.	11	9	7
Irrigation	66	76	86
Resale	0	0	0
Reclaimed Water	0	0	0
Other	0	0	0
Private Fire	36	39	42

Total	4,996	5,011	5,026
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Clearlake

<u>Customer Class</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Commercial	2,173	2,187	2,201
Industrial	0	0	0
Public Auth.	2	2	2
Irrigation	0	0	0
Resale	0	0	0
Reclaimed Water	0	0	0
Other	0	0	0
Private Fire	4	4	4

Total	2,179	2,193	2,207
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Los Osos

<u>Customer Class</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Commercial	3,285	3,301	3,317
Industrial	1	1	1
Public Auth.	8	8	8
Irrigation	1	1	1
Resale	0	0	0
Reclaimed Water	0	0	0
Other	0	0	0
Private Fire	19	19	19
Total	3,314	3,330	3,346

Ojai

<u>Customer Class</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Commercial	2,807	2,821	2,835
Industrial	5	6	7
Public Auth.	20	20	20
Irrigation	8	9	10
Resale	0	0	0
Reclaimed Water	15	15	15
Other	1	1	1
Private Fire	33	34	35
Total	2,889	2,906	2,923

Santa Maria

<u>Customer Class</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Commercial	13,173	13,249	13,325
Industrial	5	5	5
Public Auth.	16	16	16
Irrigation	21	23	25
Resale	0	0	0
Reclaimed Water	0	0	0
Other	0	0	0
Private Fire	39	39	39
Total	13,254	13,332	13,410

Simi Valley**Customer Class**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Commercial	13,065	13,089	13,113
Industrial	38	44	50
Public Auth.	115	115	115
Irrigation	20	23	26
Resale	0	0	0
Reclaimed Water	0	0	0
Other	9	10	11
Private Fire	158	167	176
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Total	13,405	13,448	13,491

Sales per Customer

GSWC and DRA used a five year average to forecast usage per customer for all customer classes other than Commercial/Residential. DRA accepted GSWC's estimates for the water consumption for all customer classes in Bay Point, Los Osos and Ojai and differed in Arden Cordova, Clearlake, Santa Maria and Simi Valley in Commercial / Residential class only. After several discussions, the parties settled on water consumption as set in the table below.

Arden Cordova

<u>Customer Class</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Commercial	829	1,100	860
Industrial	404	404	404
Public Authority	6,130.9	6,130.9	6,130.9
Irrigation	1,455.2	1,455.2	1,455.2
Resale	0	0	0
Contract	0	0	0
Other	137.8	137.8	137.8

Flat Rate

Commercial	376.8	376.8	376.8
Public Authority	0	0	0
Private Fire	39.2	39.2	39.2

Bay Point

<u>Customer Class</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Commercial	190.35	190.35	190.35
Industrial	25,481.60	25,481.60	25,481.60
Public Authority	2,012.00	2,012.00	2,012.00
Irrigation	1,596.80	1,596.80	1,596.80
Resale	0	0	0
Contract	0	0	0
Other	0	0	0

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	199.00	199.00	199.00

Clearlake

<u>Customer Class</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Commercial	82.4	85.9	84.2
Industrial	0	0	0
Public Authority	44.6	44.6	44.6
Irrigation	0	0	0
Resale	0	0	0
Contract	0	0	0
Other	0	0	0

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0	0	0

Los Osos

<u>Customer Class</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Commercial	174.0	174.0	174.0
Industrial	22.4	22.4	22.4
Public Authority	2,207.4	2,207.4	2,207.4
Irrigation	206.4	206.4	206.4
Resale	0	0	0
Contract	0	0	0
Other	742.4	742.4	742.4

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	0	0	0

Ojai

<u>Customer Class</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Commercial	300.5	300.5	300.5
Industrial	97.2	97.2	97.2
Public Authority	1,339.8	1,339.8	1,339.8
Irrigation	8,235.4	8,235.4	8,235.4
Resale	0	0	0
Contract	786.4	786.4	786.4
Other	91.4	91.4	91.4

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	1	1	1

Santa Maria

<u>Customer Class</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Commercial	310.4	317.7	314.1
Industrial	38.0	38.0	38.0
Public Authority	6,542.6	6,542.6	6,542.6
Irrigation	1,726.4	1,726.4	1,726.4
Resale	0	0	0
Contract	0	0	0
Other	409.4	409.4	409.4

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	72.2	72.2	72.2

Simi Valley

<u>Customer Class</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Commercial	245.1	249.2	249.2
Industrial	916.2	916.2	916.2
Public Authority	2,185.4	2,185.4	2,185.4
Irrigation	1,376.4	1,376.4	1,376.4
Resale	0	0	0
Contract	0	0	0
Other	263.6	263.6	263.6

Flat Rate

Commercial	0	0	0
Public Authority	0	0	0
Private Fire	912.6	912.6	912.6

3.03**Water Loss for Water**

Other than Clearlake, GSWC and DRA agree to use a five-year average of historical Water Loss to forecast test year levels. In Clearlake, the parties agree to use three-year average of historical Water Loss.

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	2.92%	2.92%	2.92%
Bay Point	8.02%	8.02%	8.02%
Clearlake	47.48%	35.35%	44.6%
Los Osos	7.59%	7.59%	7.59%
Ojai	13.32%	13.32%	13.32%
Santa Maria	10.54%	10.54%	10.54%
Simi Valley	7.13%	7.13%	7.13%

4.00**Labor****4.01**

Region I Labor - GSWC and DRA have resolved some of the differences regarding new positions and labor expenses in GSWC's Region I. It should be noted that the issue of the Northern District Water Conservation Coordinator, Coastal District Engineering Technician III, Los Osos Water Supply Operator II and Simi Valley Water Supply Operator II positions will not be finally determined until the Commission rules on these issues. GSWC's Region I forecast for total labor was based on its 2006 organizational structure of 92 positions and actual annual salaries. Within the 2006 organizational structure, GSWC requested to include in rates eight (8) positions that have been posted and filled since GSWC's last formal GRC in 2000. GSWC also requested four (4) new positions to be included in rates starting in 2008. In forecasting the labor expenses,

GSWC used twelve month recorded ratios of expense to capital labor. GSWC then added to this base inflation, overtime, merit increases, stand-by and call-out pay to derive the forecast for the Test Year. For the CSA Offices, DRA recommended labor expenses derived by inflating the 2006 recorded labor to 2008 dollars. GSWC and DRA settled on the labor expenses for all of the CSA Offices with the exception of the Los Osos and Simi Valley CSA's where DRA recommended disallowing two (2) requested positions that are to be filled in 2007. For the **Region I Headquarters**, DRA agreed with GSWC's recommended labor expenses to include GSWC's requested Water Quality Manager. GSWC and DRA agreed to forgo including the labor expenses for the requested Account Analyst II position in 2008 – DRA and GSWC agreed to move the labor expenses for this position to Outside Services. There, the money could be used for hiring temporary employees instead of hiring a full-time employee. DRA and GSWC agreed on an annual amount of \$28,848 to be included in the Region I Headquarters Outside Services. For the **Northern District Office**, DRA agreed with GSWC's recommended labor expenses to include the requested SCADA Technician and the Engineering Technician III. After further discussions the Parties agreed that the following labor expenses are reasonable for the Test Year 2008.

Region I Headquarters	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Operations Labor	\$ 30,427	\$ 28,000	\$ 28,560
Maintenance Labor	0	0	0
A&G Labor	<u>575,276</u>	<u>529,100</u>	<u>539,900</u>
Total Labor Expense	\$ 605,703	\$ 557,100	\$ 568,460
 Northern District Office	 <u>GSWC</u>	 <u>DRA</u>	 <u>Stipulation</u>
Operations Labor	\$ 90,310	\$ 60,500	1/
Maintenance Labor	331	0	1/
A&G Labor	<u>149,987</u>	<u>100,400</u>	1/
Total Labor Expense	\$ 240,628	\$ 160,900	1/
 Coastal District Office	 <u>GSWC</u>	 <u>DRA</u>	 <u>Stipulation</u>
Operations Labor	\$ 87,500	\$ 85,500	1/
Maintenance Labor	7,100	0	1/
A&G Labor	<u>180,850</u>	<u>176,700</u>	1/
Total Labor Expense	\$ 275,500	\$ 262,200	1/
 Arden Cordova CSA	 <u>GSWC</u>	 <u>DRA</u>	 <u>Stipulation</u>
Operations Labor	\$ 604,474	\$ 583,200	\$ 593,900
Maintenance Labor	102,261	91,000	96,700
A&G Labor	<u>58,082</u>	<u>57,200</u>	<u>57,700</u>
Total Labor Expense	\$ 764,817	\$ 731,400	\$ 748,300
 Bay Point CSA	 <u>GSWC</u>	 <u>DRA</u>	 <u>Stipulation</u>
Operations Labor	\$ 306,400	\$ 306,400	\$ 306,400
Maintenance Labor	71,500	68,000	70,000
A&G Labor	<u>43,600</u>	<u>43,600</u>	<u>43,600</u>
Total Labor Expense	\$ 421,500	\$ 418,000	\$ 420,000
 Clearlake CSA	 <u>GSWC</u>	 <u>DRA</u>	 <u>Stipulation</u>
Operations Labor	\$ 207,900	\$ 207,900	\$ 207,900
Maintenance Labor	35,800	35,800	35,800
A&G Labor	<u>16,500</u>	<u>16,500</u>	<u>16,500</u>
Total Labor Expense	\$ 260,200	\$ 260,200	\$ 260,200
 Los Osos CSA	 <u>GSWC</u>	 <u>DRA</u>	 <u>Stipulation</u>
Operations Labor	\$ 232,700	\$ 155,100	1/
Maintenance Labor	57,200	40,000	1/
A&G Labor	<u>41,400</u>	<u>27,100</u>	1/
Total Labor Expense	\$ 331,300	\$ 222,200	1/

Ojai CSA	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Operations Labor	\$ 254,100	\$ 216,800	\$ 240,000
Maintenance Labor	44,700	44,700	44,700
A&G Labor	<u>52,800</u>	<u>52,800</u>	<u>52,800</u>
Total Labor Expense	\$ 351,600	\$ 314,300	\$ 337,500

Santa Maria CSA	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Operations Labor	\$ 509,000	\$ 509,000	\$ 509,000
Maintenance Labor	147,600	147,600	147,600
A&G Labor	<u>56,300</u>	<u>50,800</u>	<u>53,600</u>
Total Labor Expense	\$ 712,900	\$ 707,400	\$ 710,200

Simi Valley CSA	<u>GSWC</u>	<u>DRA</u>	<u>Stipulation</u>
Operations Labor	\$ 324,000	\$ 281,800	1/
Maintenance Labor	73,500	73,500	1/
A&G Labor	<u>73,500</u>	<u>60,000</u>	1/
Total Labor Expense	\$ 471,000	\$ 415,300	1/

1/ Litigated Position

- 4.02 Merit Increase Adjustment – GSWC included a 1.28% performance based merit adjustment in its labor expense forecast. DRA did not include any merit adjustment in its recommendation. Upon further discussions between GSWC and DRA, the Parties agreed that it is appropriate to include a merit adjustment of 1.28% to derive the Region I labor expenses for the Test Year.

5.00 **Administrative and General Expenses**

- 5.01 Office Supplies - To forecast Office Supplies expenses, GSWC typically used an inflation adjusted average of the previous five years recorded data. DRA based its forecast on an average of three or five of the past five years.

After discussions, the Parties agree to the following estimates for Office Supplies in 2008:

2008

Office Supplies

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 58,100	\$ 56,800	\$ 57,400
Bay Point	45,700	45,700	45,700
Clearlake	39,600	39,600	39,600
Los Osos	39,600	39,600	39,600
Ojai	44,000	44,000	44,000
Santa Maria	69,400	45,200	60,000
Simi Valley	34,100	34,100	34,100
Northern Dist.	22,700	22,700	22,700
Coastal Dist.	36,900	36,900	36,900
Region I HQ	291,500	260,200	275,850

- 5.02 Injuries and Damages - To forecast Injuries and Damage expenses, DRA and GSWC typically used an inflation adjusted average of the previous five years recorded data.

The Parties agree to the following estimates for Injuries and Damages in 2008:

2008

Injuries and Damages

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 1,000	\$ 1,000	\$ 1,000
Bay Point	0	0	0
Clearlake	100	100	100
Los Osos	\$0	0	0
Ojai	600	600	600
Santa Maria	1,300	1,300	1,300
Simi Valley	0	0	0

- 5.03 Pension and Benefits - To forecast Pension and Benefits expenses, GSWC typically used an inflation adjusted average of the previous five years recorded data. DRA based its forecast on an average of three or five of the past five years.

After discussions, the Parties agree to the following estimates for Pension and Benefits in 2008:

2008

Pension and Benefits

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 5,700	\$ 5,700	\$ 5,700
Bay Point	8,000	6,100	6,100
Clearlake	4,200	4,200	4,200
Los Osos	600	600	600
Ojai	2,900	2,900	2,900
Santa Maria	7,200	5,900	5,900
Simi Valley	1,600	1,600	1,600
Northern Dist.	19,600	19,600	19,600
Coastal Dist.	10,000	10,000	10,000
Region I HQ	33,100	33,100	33,100

- 5.04 Business Meals - To forecast Business Meals expense, GSWC typically used an inflation adjusted average of the previous five years recorded data.

The Parties agree to the following estimates for Business Meals in 2008:

2008

Business Meals

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 300	\$ 300	\$ 300
Bay Point	700	700	700
Clearlake	300	300	300
Los Osos	200	200	200
Ojai	1,200	1,200	1,200
Santa Maria	1,200	1,200	1,200
Simi Valley	800	800	800
Northern Dist.	1,000	1,000	1,000
Coastal Dist.	1,900	1,900	1,900
Region I HQ	9,000	9,000	9,000

- 5.05 Regulatory Commission Expense – GSWC based its estimate for Region I Regulatory Commission Expense on a comparable cost for another rate case, while DRA's estimate is a combination of Region I recorded data and components of GSWC's estimates.

After discussions between the Parties GSWC and DRA agree to the following:

2008

Regulatory Commission Expense

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 134,200	\$ 63,300	\$ 103,700
Bay Point	28,500	25,700	22,000
Clearlake	9,700	8,100	7,500
Los Osos	24,600	12,200	14,000
Ojai	31,100	11,800	17,400
Santa Maria	93,100	44,700	54,500
Simi Valley	83,200	48,600	64,200

5.06

Outside Services - To forecast Outside Services expenses, GSWC typically used an inflation adjusted average of the previous five years recorded data. DRA based its forecast on an average of three or five of the past five years.

For the Region I Headquarters, GSWC and DRA agreed to forgo including the labor expenses for the requested Account Analyst II position in 2008 and agreed to move two-thirds of the labor expenses for this position to Outside Services. GSWC also agreed to forgo the replacement of the phone system, in turn DRA agreed to increase outside services by \$15,000 per year to cover repair costs.

After discussions, the Parties agree to the following estimates for Outside Services in 2008:

2008

Outside Services

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 159,300	\$ 159,300	\$ 159,300
Bay Point	40,400	10,200	25,000
Clearlake	2,200	2,200	2,200
Los Osos	75,800	75,800	75,800
Ojai	50,900	50,900	50,900
Santa Maria	130,200	48,800	75,000
Simi Valley	16,400	6,700	11,500
Northern Dist.	13,900	13,900	13,900
Coastal Dist.	900	900	900
Region I HQ	87,300	42,600	108,850

5.07

Miscellaneous - To forecast Miscellaneous expense, DRA and GSWC typically used an inflation adjusted average of the previous five years

recorded data.

The Parties agree to the following estimates for Miscellaneous in 2008:

2008

<u>Miscellaneous</u>			
<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 25,100	\$ 25,100	\$ 25,100
Bay Point	1,100	1,100	1,100
Clearlake	600	600	600
Los Osos	300	300	300
Ojai	2,500	2,500	2,500
Santa Maria	2,100	2,100	2,100
Simi Valley	5,700	5,700	5,700
Northern Dist.	1,000	1,000	1,000
Coastal Dist.	2,300	2,300	2,300
Region I HQ	3,700	3,700	3,700

5.08 Rent - To forecast Rent expense, DRA and GSWC used data from leases.

The Parties agree to the following estimates for Rent in 2008:

2008

<u>Rent</u>			
<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 12,200	\$ 12,200	\$ 12,200
Bay Point	29,100	29,100	29,100
Clearlake	12,400	12,400	12,400
Los Osos	0	0	0
Ojai	25,500	25,500	25,500
Santa Maria	72,700	72,700	72,700
Simi Valley	42,800	42,800	42,800
Northern Dist.	0	0	0
Coastal Dist.	0	0	0
Region I HQ	215,400	215,400	215,400

5.09 Other Maintenance of General Plant - To forecast Other Maintenance of General Plant expenses, GSWC typically used an inflation adjusted average of the previous five years recorded data. DRA based its forecast on an average of three or five of the past five years.

After discussions, the Parties agree to the following estimates for Other Maintenance of General Plant in 2008:

2008

<u>Other Maintenance of General Plant</u>			
<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 22,100	\$ 22,100	\$ 22,100
Bay Point	56,600	12,300	34,400
Clearlake	1,600	1,600	1,600
Los Osos	8,900	5,300	5,300
Ojai	12,000	4,800	6,000
Santa Maria	8,000	8,000	8,000
Simi Valley	11,100	2,300	6,700
Northern Dist.	8,000	8,000	8,000
Coastal Dist.	1,700	1,700	1,700
Region I HQ	51,000	51,000	51,000

6.00 Operations and Maintenance

6.01 Other Operating Expenses – To forecast Other Operating Expenses, GSWC used an inflation adjusted average of the previous five year's recorded data. DRA based its forecast on an average of three or five of the past five years.

After discussions, the Parties agree to the following estimates for Other Operating Expenses in 2008:

2008

<u>Other Operating Expenses</u>			
<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 453,600	\$ 371,400	\$ 417,400
Bay Point	215,400	211,200	214,700
Clearlake	89,700	89,700	89,700
Los Osos	81,400	81,400	81,400
Ojai	78,200	68,800	70,000
Santa Maria	298,300	271,700	275,400
Simi Valley	86,500	86,500	86,500
Northern Dist.	300	300	300
Coastal Dist.	900	900	900
Region I HQ	3,200	3,200	3,200

6.02 Uncollectible Rates – DRA and GSWC used the same uncollectible rates

to forecast uncollectible expense.

The parties both used the following uncollectible rates in 2008:

<u>Operating Area</u>	<u>Uncollectible Rate</u>
Arden Cordova	0.087%
Bay Point	0.296%
Clearlake	0.460%
Los Osos	0.096%
Ojai	0.158%
Santa Maria	0.062%
Simi Valley	0.132%

- 6.03 Other Maintenance Expenses – To forecast Other Maintenance Expenses, GSWC used an inflation adjusted average of the previous five year's recorded data. DRA based its forecast on an average of three or five of the past five years.

After discussions, the Parties agree to the following estimates for Other Maintenance Expenses in 2008:

2008

<u>Other Maintenance Expenses</u>			
<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 190,800	\$ 186,000	\$ 188,400
Bay Point	110,200	110,200	110,200
Clearlake	43,800	43,800	43,800
Los Osos	78,200	78,200	78,200
Ojai	270,800	270,800	270,800
Santa Maria	337,600	245,400	300,000
Simi Valley	92,700	87,000	89,800
Northern Dist.	0	0	0
Coastal Dist.	100	100	100
Region I HQ	0	0	0

- 6.04 Chemical Expenses – Other than Arden Cordova, Los Osos and Ojai, GSWC used an inflation adjusted average of the previous five year's recorded data to forecast Chemicals Expenses. DRA based its estimate on an inflation adjusted average of the previous five year's recorded data.

After discussions between the Parties GSWC and DRA agree to the following level of Chemical Expenses:

2008

Chemicals

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>	
Arden Cordova	\$135,400	\$145,100	\$131,700	(\$8.55 per AF)
Bay Point	\$111,500	\$110,000	\$110,000	
Clearlake	\$43,200	\$36,100	\$39,600	
Los Osos	\$171,600	\$152,900	\$162,900	
Ojai	\$39,400	\$35,100	\$37,300	
Santa Maria	\$43,600	\$44,000	\$44,000	
Simi Valley	\$5,700	\$5,700	\$5,700	

7.00 Taxes Other Income

- 7.01 Property Taxes – GSWC and DRA both used the same methodology of the five-year average of property tax expenses divided by the five-year average of utility plant in service to derive the property tax rates.

GSWC and DRA agree to the following property tax rate for use in the test years:

<u>Operating Area</u>	<u>Property Tax Rate</u>
Arden Cordova	0.38%
Bay Point	0.38%
Clearlake	0.34%
Los Osos	0.44%
Ojai	0.47%
Santa Maria	0.34%
Simi Valley	0.42%

- 7.02 Payroll Taxes – GSWC and DRA agree to apply a rate of 8.06% to all labor expenses, as calculated in GSWC's forecast.

- 7.03 Local Taxes – GSWC and DRA used the same methodology of applying the 5-year average recorded rate of local taxes on all revenue.

The local tax rates used for 2008 are as follows:

Operating Area	Local Tax Rate
Arden Cordova	0.306%
Bay Point	1.197%
Clearlake	0.005%
Los Osos	0.0%
Ojai	1.188%
Santa Maria	0.0%
Simi Valley	1.257%

8.00 Supply

8.01 Sources -- A combination of historical usage, expected developments, and constraints on systems were analyzed to determine the level of production from wells and purchased water. The difference in supply volume is attributable to differences in the Parties' projection of sales and water loss percentages, which is addressed in section 3. Set forth below is the stipulated supply mix volume in KCcf for 2008, 2009 and 2010.

Arden Cordova CSA	2008	2009	2010
Wells Production	6,713.7	7,066.4	7411.5
Purchased	0.0	0.0	0.0
Surface	2,383.5	2,383.5	2,383.5
Total	9,097.2	9,449.9	9,795.0
Bay Point CSA	2008	2009	2010
Wells Production	90.7	90.7	90.7
Purchased	1,258.7	1,273.2	1,281.2
Total	1,349.4	1,363.9	1,372.0
Clearlake CSA	2008	2009	2010
Wells Production	0.0	0.0	0.0
Purchased	290.2	292.5	294.7
Surface	58.3	58.3	58.3
Total	348.6	350.8	353.1

Los Osos CSA	<u>2008</u>	<u>2009</u>	<u>2010</u>
Wells Production	638.0	640.2	642.5
Purchased	0.0	0.0	0.0
Total	638.0	640.2	642.5
Ojai CSA	<u>2008</u>	<u>2009</u>	<u>2010</u>
Wells Production	880.5	894.9	909.4
Purchased	214.1	214.1	214.1
Total	1,094.6	1,109.0	1,123.6
Santa Maria CSA	<u>2008</u>	<u>2009</u>	<u>2010</u>
Wells Production	4,786.0	4,816.5	4,847.1
Purchased	0.0	0.0	0.0
Total	4,786.0	4,816.5	4,847.1
Simi Valley CSA	<u>2008</u>	<u>2009</u>	<u>2010</u>
Wells Production	448.3	448.3	448.3
Purchased	3,554.0	3,580.0	3,605.9
Total	4,002.3	4,028.3	4,054.2

- 8.02 Supply Cost -- The Parties agree to use GSWC's methodology to forecast purchased water and purchased power costs. The difference in supply cost is attributable to the differences in the Parties' projection of sales, which is addressed in section 3. The latest available rates prior to producing the final decision tables should be used as referenced in paragraph 9.03.
- 8.03 Pump taxes, Santa Maria -- GSWC requested \$218,000 in test year 2008 to cover costs related to the Santa Maria Adjudication. GSWC and DRA agreed to remove these costs from the test year and defer cost recovery to Phase Two of A.06-02-026.

8.04 Allocated Common Customer Accounts – General Office and Allocated General Office Expense – GSWC and DRA agree that the allocated costs related to the General Office will be as set forth in the final decision pending in GSWC's A.06-02-023.

8.05 Allocated Region Office Expense – GSWC and DRA agreed on the allocation of the Region Office Expenses but did not agree on the expenses. After much discussion, GSWC and DRA agreed to include \$15,000 per year for phone maintenance expense to offset delaying the replacement of the existing phone system and settled all other outstanding issues regarding the Region Office Expenses.

Allocated Region Office Expense

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 493,200	\$ 445,900	\$ 480,600
Bay Point	104,800	94,700	102,100
Clearlake	35,700	32,300	34,800
Los Osos	66,600	60,100	64,900
Ojai	82,900	74,900	80,800
Santa Maria	259,600	234,000	252,400
Simi Valley	305,700	276,100	297,900

8.06 Allocated District Office Expense – GSWC and DRA did not disagree on the methodology to allocate the District Office Expenses but did disagree on the labor cost for the district offices. These costs will not be finally determined until the Commission rules on these issues.

Allocated District Office Expense

<u>CSA</u>	<u>GSWC</u>	<u>DRA</u>	<u>Stipulated</u>
Arden Cordova	\$ 277,300	\$ 210,300	1/
Bay Point	58,800	44,600	1/
Clearlake	20,100	15,200	1/
Los Osos	36,500	35,000	1/
Ojai	45,800	44,000	1/
Santa Maria	142,300	136,700	1/
Simi Valley	167,200	160,700	1/

1/ litigated position

9.00 Common Issues

9.01 Inflation – The Parties adopt the most current available inflation factors provided by the DRA Energy Cost of Service Branch as set for in the Commission's New Rate Case Plan, D.04-06-018.

9.02 Established Inflation Factors – The Parties agree that the Established Factors should be as set forth in the Commission's New Rate Case Plan guidelines, D.04-06-018.

9.03 Rates Charged for Purchased Water and Purchased Power
The Parties agree the latest available rates prior to developing the decision tables should be used to calculate supply expenses in the final decision.

10.00 Cost of Capital

10.01 Return on Equity – GSWC requested a return on equity of 11.25%. DRA recommended a return on equity of 10.09%. Following discussions between the parties it was agreed that a return on equity on 10.2% was reasonable.

10.02 Cost of Debt – GSWC requested a cost of debt of 7.46%. DRA concurred with this rate.

10.03 Capital Structure – GSWC requested a capital structure of 48.5% debt and 51.5% equity. DRA accepted GSWC request.

10.04 Return on Ratebase – The agreements described in paragraphs 10.01 to 10.03 result in a return on ratebase of 8.87%

11.00 Other Issues

11.01 Low Income Program (CARW) – GSWC proposed a low income ratepayer assistance program in the seven ratemaking districts in Region I. The key components of the proposal were; eligibility for the program would be based on household income and household sizes, which are the same criteria used for GSWC's low income assistance program in its Region II and Region III ratemaking areas, the monthly discount would be a fixed amount applied to the monthly service charge equal to approximately 15 percent of the average bill for a residential customer in that ratemaking district and the costs of the program for each of the seven ratemaking districts would be recovered through a surcharge charged to all residential customer in Region I.

DRA generally agreed with GSWC proposal but proposed a different way

of calculating the LIRA benefit. DRA proposed the discount be based on 50% of the service charge in each ratemaking area subject to a \$15 cap.

GSWC and DRA discussed several alternatives and agreed the LIRA benefit would be a fixed amount equivalent to a 15% reduction on a monthly bill using 15 Ccf for each district. GSWC and DRA also agreed that GSWC would start recovering the costs of the program through a commodity charge at the time the discount is provided and GSWC will establish a balancing account to track the income and expense of the program. The discount amounts in this settlement will remain in effect until the next Region I GRC.

The details are as follows:

A. ELIGIBLE CUSTOMERS

The Parties agree that the LIRA program will provide low income assistance to all eligible residential customers with 5/8"x 3/4" and 3/4" metered service who meet the income level for the California Alternate Rates For Energy (CARE) Program.

The Parties agree that qualifying customers will provide either proof of participation in the CARE program of Pacific Gas and Electric, Southern California Edison (SCE) or Southern California Gas Company by submitting a copy of a utility bill; or customers who meet CARE income requirements but do not participate in a CARE program may qualify by submitting a self-certification form as proof of income.²

GSWC is authorized to conduct random post-enrollment eligibility verification of self-certifying customers.

Non-profit group living facilities, agricultural employee housing facilities and migrant farm worker housing centers that are enrolled in the CARE program will qualify for LIRA.

B. LOW-INCOME CREDIT

Eligible customers will receive a flat monthly credit as shown in the table below. This amount was chosen because it represents approximately 15 percent of a monthly customer bill with usage of 15 Ccf.

CSA	GSWC Proposal	DRA Proposal	Settlement
------------	--------------------------	-------------------------	-------------------

² CARE program allows customers to self-verify and submit proof of income upon request.

Arden Cordova	\$ 3.45	\$ 5.00	\$ 5.00
Arden Cordova Flat	6.37	5.00	5.00
Bay Point	12.36	14.25	12.00
Clearlake	10.79	15.00	16.00
Los Osos	11.17	14.00	12.00
Ojai	18.75	14.00	11.00
Santa Maria	9.35	11.00	7.00
Simi Valley	8.93	6.00	7.00

Credits will be adjusted only during future general rate case proceedings if necessary.

Non-profit group living facilities, agricultural employee housing facilities, and migrant farm worker housing centers will receive a flat monthly credit of \$20.00.

GSWC agrees to identify LIRA assistance on its monthly bills as "Low Income Credit."

C. NOTICE AND ELIGIBILITY RENEWAL

GSWC agrees to send two notices to its customers in the first year of the program, then annually thereafter. GSWC will print the notices in English, Spanish, and in other languages it finds prominently used by GSWC customers.

Similar to the CARE program, qualifying customers will be required to re-qualify every two years.

GSWC will submit copies of the customer notices and the LIRA application to the Division of Ratepayer Advocates prior to distribution.

D. LOW-INCOME SUBSIDY

The Parties estimate the total annual subsidy to be \$720,000. This projected subsidy is based on a participation rate of 65% of eligible households to account for the fact that estimates of households meeting the CARE eligibility guidelines include energy customers who live in multi-family housing and these customers are not direct customers of GSWC.

E. LOW-INCOME SURCHARGE

Parties agree GSWC will fund the LIRA program via a monthly volumetric surcharge on every unit of water sold by GSWC.³ Parties estimate that the volumetric surcharge will be approximately \$0.04 per hundred cubic feet (Ccf) of water per month.⁴ Any under-collection or over-collection in the balancing account will be recovered or refunded as part of GSWC's general rate case proceedings.

GSWC agrees to explicitly identify the LIRA surcharges on customer bills. GSWC will not charge this surcharge to customers participating in the LIRA program.

F. EFFECTIVE DATE

The Parties agree that the LIRA Program will be effective within 90 days after the approval of this settlement.

G. ACCOUNTING TREATMENT

The Parties agree that GSWC can implement a balancing account to record all surcharge revenues and costs related to the implementation and administration of the LIRA program. The balancing account will accrue interest at the 90-day commercial paper rate. Necessary adjustments to the surcharge will be made in the general rate cases or in an Advice Letter if any significant over/under-collection is evident.

GSWC agrees to provide an annual summary report of the LIRA program to the Commission's Water Division and DRA, and to continue program review in its future general rate cases. The annual summary report will contain the status of the program including an accounting of benefits provided and surcharges collected, evaluation of costs, participation level, proposed improvements to the program, as well as the status of the balancing account.

³ A volumetric surcharge rate design ties the surcharge to consumption level where customers pay an equal amount per Ccf of water consumed.

⁴ Total estimated subsidy is \$720,307 per year. Total projected consumption by non-qualifying customers for the company is 18,025,523 Ccf. The estimated surcharge per Ccf is 4 cents (\$720,307/18,025,523 Ccf = \$0.4 per Ccf).

PAS
Dated: August __, 2007

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Dated: August 16, 2007

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Dated: August 17, 2007


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Dated: August __, 2007

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APPENDIX A

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 1 -- Simi Valley A.07-01-015
TEST YEAR 2008

Page 1

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	9,867.5	116.5	9,984.0	0.0	9,984.0	0.0	9,984.0
Oper. & Maint. Expenses							
Purchased Water	5,340.4	94.0	5,434.4	0.0	5,434.4	(0.0)	5,434.4
Purchased Power	277.3	4.0	281.3	0.0	281.3	0.0	281.3
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	5.7	0.0	5.7	0.0	5.7	0.0	5.7
Common Cust. Acct. (C)	124.7	0.0	124.7	39.9	84.8	0.4	84.4
Common Cust. Acct. (R)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	13.0	0.2	13.2	0.0	13.2	0.1	13.1
Oper-Labor	324.0	0.0	324.0	42.2	281.8	0.0	281.8
Oper-Others	86.5	0.0	86.5	0.0	86.5	(0.0)	86.5
Maint-Labor	73.5	0.0	73.5	0.0	73.5	0.0	73.5
Maint-Others	92.7	(2.9)	89.8	0.0	89.8	2.8	87.0
A&G Expenses							
Office Supplies	34.1	0.0	34.1	0.0	34.1	(0.0)	34.1
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension & Benefits	1.6	0.0	1.6	0.0	1.6	(0.0)	1.6
Business Meals	0.8	0.0	0.8	0.0	0.8	(0.0)	0.8
Regulatory Comm	83.2	(19.0)	64.2	0.0	64.2	15.6	48.6
Outside Services	16.4	(4.9)	11.5	0.0	11.5	4.8	6.7
Misc	5.7	0.0	5.7	0.0	5.7	(0.0)	5.7
Alloc Gen Office	1,385.0	0.0	1,385.0	427.9	957.0	12.0	945.0
Alloc Region Office	305.7	(7.8)	297.9	0.0	297.9	21.8	276.1
Alloc District Office	167.2	0.0	167.2	6.6	160.7	(3.0)	163.7
Maintenance	11.1	(4.4)	6.7	0.0	6.7	4.4	2.3
Rent	42.8	0.0	42.8	0.0	42.8	0.0	42.8
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	73.5	0.0	73.5	13.5	60.0	0.0	60.0
Depreciation	706.8	(10.9)	695.9	20.2	675.7	2.9	672.6
Other Taxes							
Property Taxes	96.0	(1.3)	96.6	2.5	94.2	(0.4)	94.6
Payroll Taxes	37.9	0.0	37.9	4.5	33.5	(0.1)	33.6
Local Taxes	124.0	1.5	125.5	0.0	125.5	0.3	125.2
Income Taxes	92.9	33.3	126.3	(242.8)	369.1	(16.6)	385.7
Total Expenses After Taxes	9,524.5	81.9	9,606.3	314.4	9,291.9	44.9	9,247.0
Net Operating Revenues	343.0	34.7	377.7	(314.4)	692.1	(45.6)	737.7
Rate Base	10,150.0	(374.7)	9,775.3	1,141.4	8,634.0	405.4	8,228.6
Rate of Return	3.38%		3.86%		8.02%		8.97%
AT PROPOSED RATES:							
Operating Revenues	10,972.7	(104.7)	10,868.0	751.0	10,117.0	157.4	9,959.6
Uncollectibles	14.5	(0.1)	14.4	1.0	13.4	0.2	13.2
Local Taxes	137.9	(1.3)	136.6	9.4	127.1	2.0	125.2
Income Taxes	570.7	(62.2)	508.5	81.9	426.6	51.2	375.4
Total Expenses After Taxes	10,017.6	(16.7)	10,000.8	649.6	9,351.2	114.5	9,236.7
Net Operating Revenues	955.2	(88.0)	867.2	101.4	765.8	42.2	723.5
Rate Base	10,150.0	(374.7)	9,775.3	1,141.4	8,634.0	405.4	8,228.6
Rate of Return	9.41%		8.87%		8.87%		8.79%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Region 1 -- Simi Valley A.07-01-015
TEST YEAR 2008

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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	9,867.5	116.5	9,984.0	0.0	9,984.0	0.0	9,984.0
Operating Expenses	9,431.5	48.5	9,480.0	557.3	8,922.8	61.5	8,861.3
Interest on LTD	367.4	(13.6)	353.9	41.3	312.5	14.7	297.9
Book Depr'n (w/ G.O.)	(783.7)	10.9	(772.8)	(43.5)	(729.3)	(13.0)	(716.3)
Total Deductions	9,015.3	45.8	9,061.1	555.0	8,506.1	63.2	8,442.9
State Tax Depreciation	(859.5)	13.2	(846.3)	(24.6)	(821.7)	(3.5)	(818.2)
Other State Schedule M	87.5	0.0	87.5	0.0	87.5	19.3	68.2
8.84% --State Tax	7.1	7.4	14.5	(51.2)	65.7	(4.2)	69.9
Book Depr'n (w/ G.O.)	(783.7)	10.9	(772.8)	(43.5)	(729.3)	(13.0)	(716.3)
Tax Depr. - Flow Through	108.5	0.0	108.5	0.0	108.5	0.0	108.5
State Tax Deduction	(7.1)	(7.4)	(14.5)	51.2	(65.7)	23.0	(88.7)
Other Fed Schedule M	72.5	0.0	72.5	0.0	72.5	16.8	55.7
Def Rev Amort - Contrib	2.9	0.0	2.9	0.0	2.9	0.0	2.9
Adjustment for Job Creation Act				0.0			
35.00% --Federal Tax	85.8	26.0	111.8	(191.6)	303.4	(12.7)	316.1
TOTAL INCOME TAX	92.9	33.4	126.3	(242.8)	369.1	(16.9)	386.0
AT PROPOSED RATES:							
Total Operating Revenues	10,972.7	(104.7)	10,868.0	751.0	10,117.0	157.4	9,959.6
Operating Expenses	9,446.9	45.5	9,492.3	567.7	8,924.6	63.3	8,861.3
Interest on LTD	367.4	(13.6)	353.9	41.3	312.5	14.7	297.9
Book Depr'n (w/ G.O.)	(783.7)	10.9	(772.8)	(43.5)	(729.3)	(13.0)	(716.3)
Total Deductions	9,030.6	42.8	9,073.4	565.5	8,507.9	65.1	8,442.9
State Tax Depreciation	(859.5)	13.2	(846.3)	(24.6)	(821.7)	(3.5)	(818.2)
Other State Schedule M	87.5	0.0	87.5	0.0	87.5	19.3	68.2
8.84% --State Tax	103.4	(11.8)	91.6	14.3	77.3	9.5	67.8
Book Depr'n (w/ G.O.)	(783.7)	10.9	(772.8)	(43.5)	(729.3)	(13.0)	(716.3)
Tax Depr. - Flow Through	108.5	0.0	108.5	0.0	108.5	0.0	108.5
State Tax Deduction	(7.1)	(7.4)	(14.5)	51.2	(65.7)	23.0	(88.7)
Other Fed Schedule M	72.5	0.0	72.5	0.0	72.5	16.8	55.7
Def Rev Amort - Contrib	2.9	0.0	2.9	0.0	2.9	(5.0)	7.9
Adjustment for Job Creation Act				0.0		0.0	0.0
35.00% --Federal Tax	467.3	(50.4)	416.9	67.6	349.3	41.7	307.6
TOTAL INCOME TAX	570.7	(62.2)	508.5	81.9	426.6	51.2	375.4

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 1 -- Arden Cordova A.07-01-009
TEST YEAR 2008

Page 1

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	8,677.7	64.5	8,742.2	0.0	8,742.2	(500.4)	9,242.6
Oper. & Maint. Expenses							
Purchased Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased Power	1,147.1	15.8	1,162.9	0.0	1,162.9	(138.3)	1,301.2
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	135.4	(3.7)	131.7	0.0	131.7	(13.4)	145.1
Common Cust. Acct. (C	201.6	0.0	201.6	64.4	137.2	0.7	136.5
Common Cust. Acct. (F	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (C	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	7.5	0.1	7.6	0.0	7.6	(0.8)	8.4
Oper-Labor	604.5	(10.6)	593.9	0.0	593.9	10.7	583.2
Oper-Others	453.6	(36.2)	417.4	0.0	417.4	46.0	371.4
Maint-Labor	102.3	(5.6)	96.7	0.0	96.7	5.7	91.0
Maint-Others	190.8	(2.4)	188.4	0.0	188.4	2.4	186.0
A&G Expenses							
Office Supplies	58.1	(0.7)	57.4	0.0	57.4	0.6	56.8
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	1.0	0.0	1.0	0.0	1.0	(0.0)	1.0
Pension & Benefits	5.7	0.0	5.7	0.0	5.7	0.0	5.7
Business Meals	0.3	0.0	0.3	0.0	0.3	(0.0)	0.3
Regulatory Comm	134.2	(30.6)	103.7	(0.0)	103.7	40.4	63.3
Outside Services	159.3	(0.0)	159.3	0.0	159.3	0.0	159.3
Misc	25.1	0.0	25.1	0.0	25.1	0.0	25.1
Alloc Gen Office	2,239.6	0.0	2,239.6	691.7	1,547.9	19.9	1,528.0
Alloc Region Office	493.2	(12.6)	480.6	0.0	480.6	34.7	445.9
Alloc District Office	277.3	0.0	277.3	67.1	210.3	(0.0)	210.3
Maintenance	22.1	0.0	22.1	0.0	22.1	0.0	22.1
Rent	12.2	0.0	12.2	0.0	12.2	(0.0)	12.2
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	58.1	(0.4)	57.7	0.0	57.7	0.5	57.2
Depreciation	1,855.0	(37.5)	1,817.5	12.1	1,805.4	(0.2)	1,805.6
Other Taxes							
Property Taxes	374.1	(4.3)	369.8	1.4	368.5	(0.7)	369.2
Payroll Taxes	61.6	(1.3)	60.3	(0.3)	60.6	1.4	59.2
Local Taxes	26.6	0.2	26.8	0.0	26.8	(2.9)	29.7
Income Taxes	(173.0)	102.0	(70.9)	(344.9)	274.0	(192.4)	466.4
Adjustment of GO Capitalized Exp	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses After Taxes	8,473.3	(27.7)	8,445.7	491.4	7,954.2	(185.9)	8,140.1
Net Operating Revenues	204.4	92.2	296.5	(491.4)	787.9	(314.0)	1,101.9
Rate Base	17,950.9	(1,521.9)	16,429.0	417.3	16,011.7	613.0	15,398.7
Rate of Return	1.14%		1.80%		4.92%		7.16%

AT PROPOSED RATES:

Operating Revenues	11,332.0	(515.0)	10,817.0	945.0	9,872.0	178.0	9,694.0
Uncollectibles	9.8	(0.4)	9.4	0.8	8.6	0.2	8.4
Local Taxes	34.7	(1.6)	33.1	2.9	30.2	0.5	29.7
Income Taxes	986.1	(151.1)	835.0	67.7	767.3	103.0	664.3
Adjustment to match DRA report							
Total Expenses After Taxes	9,642.8	(283.1)	9,359.7	907.8	8,452.0	113.4	8,338.6
Net Operating Revenues	1,689.2	(231.9)	1,457.3	37.2	1,420.0	64.6	1,355.4
Rate Base	17,950.9	(1,521.9)	16,429.0	417.3	16,011.7	613.0	15,398.7
Rate of Return	9.41%		8.87%		8.87%		8.80%

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Region 1 -- Arden Cordova A.07-01-009
TEST YEAR 2008

Page 2

INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	8,677.7	64.5	8,742.2	0.0	8,742.2	(500.4)	9,242.6
Operating Expenses	8,646.3	(129.7)	8,516.6	836.3	7,680.2	6.5	7,673.7
Interest on LTD	649.8	(55.1)	594.7	15.1	579.6	22.2	557.4
Book Depr'n (w/ G.O.)	(1,979.4)	37.5	(1,941.8)	(49.8)	(1,892.0)	37.9	(1,929.9)
Total Deductions	7,316.8	(147.3)	7,169.5	801.6	6,367.9	66.7	6,301.2
State Tax Depreciation	(2,255.9)	45.6	(2,210.3)	(14.7)	(2,195.5)	60.4	(2,255.9)
Other State Schedule M	141.6	0.0	141.6	0.0	141.6	0.0	141.6
8.84% --State Tax	(66.6)	22.8	(43.8)	(72.1)	28.3	(44.8)	73.1
Book Depr'n (w/ G.O.)	(1,979.4)	37.5	(1,941.8)	(49.8)	(1,892.0)	37.9	(1,929.9)
Tax Depr. - Flow Through	128.2	0.0	128.2	0.0	128.2	0.0	128.2
State Tax Deduction	66.6	(22.8)	43.8	72.1	(28.3)	44.8	(73.1)
Other Fed Schedule M	117.3	0.0	117.3	0.0	117.3	0.0	117.3
Def Rev Amort - Contrib	2.4	0.0	2.4	0.0	2.4	0.0	2.4
Adjustment for Job Creation Act 35.00% --Federal Tax	(106.4)	79.3	(27.1)	(272.8)	245.7	(169.5)	415.2
TOTAL INCOME TAX	(173.0)	102.1	(70.9)	(344.9)	274.0	(214.3)	488.3
AT PROPOSED RATES:							
Total Operating Revenues	11,332.0	(515.0)	10,817.0	945.0	9,872.0	178.0	9,694.0
Operating Expenses	8,656.7	(132.0)	8,524.7	840.1	7,684.7	11.0	7,673.7
Interest on LTD	649.8	(55.1)	594.7	15.1	579.6	22.2	557.4
Book Depr'n (w/ G.O.)	(1,979.4)	37.5	(1,941.8)	(49.8)	(1,892.0)	37.9	(1,929.9)
Total Deductions	7,327.2	(149.6)	7,177.6	805.3	6,372.3	71.1	6,301.2
State Tax Depreciation	(2,255.9)	45.6	(2,210.3)	(14.7)	(2,195.5)	60.4	(2,255.9)
Other State Schedule M	141.6	0.0	141.6	0.0	141.6	0.0	141.6
8.84% --State Tax	167.1	(28.3)	138.8	11.0	127.8	17.2	110.6
Book Depr'n (w/ G.O.)	(1,979.4)	37.5	(1,941.8)	(49.8)	(1,892.0)	37.9	(1,929.9)
Tax Depr. - Flow Through	128.2	0.0	128.2	0.0	128.2	0.0	128.2
State Tax Deduction	66.6	(22.8)	43.8	72.1	(28.3)	62.3	(110.6)
Other Fed Schedule M	117.3	0.0	117.3	0.0	117.3	0.0	117.3
Def Rev Amort - Contrib	2.4	0.0	2.4	0.0	2.4	0.0	2.4
Adjustment for Job Creation Act 35.00% --Federal Tax	819.0	(122.8)	696.2	56.7	639.5	85.8	553.7
TOTAL INCOME TAX	986.1	(151.1)	835.0	67.7	787.3	103.0	664.3

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 1 – Bay PointA.07-01-010
TEST YEAR 2008

Page 1

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	5,747.0	0.0	5,747.0	0.0	5,747.0	(0.0)	5,747.0
Oper. & Maint. Expenses							
Purchased Water	1,749.1	0.0	1,749.1	0.0	1,749.1	(0.0)	1,749.1
Purchased Power	205.5	0.0	205.5	0.0	205.5	(0.0)	205.5
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	111.5	(1.5)	110.0	0.0	110.0	(0.0)	110.0
Common Cust. Acct. (G)	42.8	0.0	42.8	13.6	29.2	0.2	29.0
Common Cust. Acct. (R)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	17.0	0.0	17.0	0.0	17.0	0.0	17.0
Oper-Labor	306.4	(0.0)	306.4	0.0	306.4	0.0	306.4
Oper-Others	215.4	(0.7)	214.7	0.0	214.7	3.5	211.2
Maint-Labor	71.5	(1.5)	70.0	0.0	70.0	2.0	68.0
Maint-Others	110.2	0.0	110.2	0.0	110.2	(0.0)	110.2
A&G Expenses							
Office Supplies	45.7	0.0	45.7	0.0	45.7	(0.0)	45.7
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension & Benefits	8.0	(1.9)	6.1	0.0	6.1	0.0	6.1
Business Meals	0.7	0.0	0.7	0.0	0.7	0.0	0.7
Regulatory Comm	28.5	(6.5)	22.0	0.0	22.0	(3.7)	25.7
Outside Services	40.4	(15.4)	25.0	0.0	25.0	14.8	10.2
Misc	1.1	0.0	1.1	0.0	1.1	0.0	1.1
Alloc Gen Office	475.2	0.0	475.2	145.9	329.3	5.1	324.2
Alloc Region Office	104.8	(2.7)	102.1	0.0	102.1	7.4	94.7
Alloc District Office	58.8	0.0	58.8	14.2	44.6	0.0	44.6
Maintenance	56.6	(22.2)	34.4	0.0	34.4	22.1	12.3
Rent	29.1	0.0	29.1	0.0	29.1	0.0	29.1
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	43.6	0.0	43.6	0.0	43.6	0.0	43.6
Depreciation	747.7	(0.3)	747.4	10.9	736.5	1.7	734.8
Other Taxes							
Property Taxes	101.0	(0.5)	100.5	1.6	98.9	3.4	95.5
Payroll Taxes	34.0	(0.1)	33.8	0.0	33.8	(0.1)	33.9
Local Taxes	68.8	0.0	68.8	0.0	68.8	(0.1)	68.9
Income Taxes	284.3	22.7	307.0	(81.0)	387.9	(17.9)	405.8
Total Expenses After Taxes	4,957.6	(30.6)	4,927.0	105.3	4,821.7	38.4	4,783.3
Net Operating Revenues	789.4	30.6	820.0	(105.3)	925.3	(39.5)	964.8
Rate Base	11,658.6	(65.0)	11,593.6	364.4	11,229.2	190.3	11,038.9
Rate of Return	6.77%		7.07%		8.24%		8.74%
AT PROPOSED RATES:							
Operating Revenues	6,303.2	(179.2)	6,124.0	249.0	5,875.0	115.0	5,760.0
Uncollectibles	18.7	(0.5)	18.1	0.7	17.4	0.3	17.1
Local Taxes	75.5	(2.1)	73.3	3.0	70.3	1.4	69.0
Income Taxes	524.5	(54.6)	469.9	26.7	443.2	31.2	412.0
Adjustment to match DRA report							
Total Expenses After Taxes	5,206.1	(110.6)	5,095.5	216.7	4,878.8	90.4	4,788.4
Net Operating Revenues	1,097.1	(68.7)	1,028.5	32.3	996.2	24.6	971.6
Rate Base	11,658.6	(65.0)	11,593.6	364.4	11,229.2	190.3	11,038.9
Rate of Return	9.41%		8.87%		8.87%		8.80%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Region 1 – Bay PointA.07-01-010
TEST YEAR 2008

Page 2

INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	5,747.0	0.0	5,747.0	0.0	5,747.0	(0.0)	5,747.0
Operating Expenses	4,673.3	(53.3)	4,620.0	188.3	4,433.7	56.2	4,377.5
Interest on LTD	422.0	(2.4)	419.7	13.2	406.5	6.9	399.6
Book Depr'n (w/ G.O.)	(774.0)	0.3	(773.7)	(18.9)	(754.8)	6.3	(761.2)
Total Deductions	4,321.3	(55.3)	4,266.0	180.6	4,085.4	69.5	4,015.9
State Tax Depreciation	(909.2)	0.4	(908.9)	(13.3)	(895.6)	13.6	(909.2)
Other State Schedule M	30.0	0.0	30.0	0.0	30.0	0.0	30.0
8.84% –State Tax	48.3	4.9	53.2	(17.2)	70.4	(4.9)	75.3
Book Depr'n (w/ G.O.)	(774.0)	0.3	(773.7)	(18.9)	(754.8)	6.3	(761.2)
Tax Depr. - Flow Through	36.9	0.0	36.9	0.0	36.9	0.0	36.9
State Tax Deduction	(48.3)	(4.9)	(53.2)	17.2	(70.4)	4.9	(75.3)
Other Fed Schedule M	24.9	0.0	24.9	0.0	24.9	0.0	24.9
Def Rev Amort - Contrib	9.2	0.0	9.2	0.0	9.2	0.0	9.2
Adjustment for Job Creation Act				0.0			
35.00% –Federal Tax	236.0	17.8	253.8	(63.8)	317.6	(20.3)	337.9
TOTAL INCOME TAX	284.3	22.7	307.0	(81.0)	388.0	(25.2)	413.2
AT PROPOSED RATES:							
Total Operating Revenues	6,303.2	(179.2)	6,124.0	249.0	5,875.0	115.0	5,760.0
Operating Expenses	4,681.6	(56.0)	4,625.6	190.0	4,435.6	58.1	4,377.5
Interest on LTD	422.0	(2.4)	419.7	13.2	406.5	6.9	399.6
Book Depr'n (w/ G.O.)	(774.0)	0.3	(773.7)	(18.9)	(754.8)	6.3	(761.2)
Total Deductions	4,329.6	(58.0)	4,271.6	184.3	4,087.3	71.4	4,015.9
State Tax Depreciation	(909.2)	0.4	(908.9)	(13.3)	(895.6)	13.6	(909.2)
Other State Schedule M	30.0	0.0	30.0	0.0	30.0	6.5	23.5
8.84% –State Tax	96.7	(10.6)	86.1	4.6	81.5	5.3	76.2
Book Depr'n (w/ G.O.)	(774.0)	0.3	(773.7)	(18.9)	(754.8)	6.3	(761.2)
Tax Depr. - Flow Through	36.9	0.0	36.9	0.0	36.9	0.0	36.9
State Tax Deduction	(48.3)	(4.9)	(53.2)	17.2	(70.4)	5.8	(76.2)
Other Fed Schedule M	24.9	0.0	24.9	0.0	24.9	0.0	24.9
Def Rev Amort - Contrib	9.2	0.0	9.2	0.0	9.2	0.0	9.2
Adjustment for Job Creation Act				0.0		0.0	0.0
35.00% –Federal Tax	427.8	(44.0)	383.8	22.1	361.7	25.9	335.8
TOTAL INCOME TAX	524.5	(54.6)	469.9	26.7	443.2	31.2	412.0

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 1 – Clearlake A.07-01-011
TEST YEAR 2008

Page 1

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	1,649.3	18.9	1,668.2	0.0	1,668.2	(11.5)	1,679.7
Oper. & Maint. Expenses							
Purchased Water	30.3	0.7	31.1	0.0	31.1	6.4	24.7
Purchased Power	92.4	1.6	94.0	0.0	94.0	15.8	78.2
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	43.2	(3.6)	39.6	0.0	39.6	3.5	36.1
Common Cust. Acct. (G	14.6	0.0	14.6	4.8	9.8	(0.1)	9.9
Common Cust. Acct. (R	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	7.8	0.1	7.7	0.0	7.7	(0.1)	7.7
Oper-Labor	207.9	0.0	207.9	0.0	207.9	0.0	207.9
Oper-Others	89.7	0.0	89.7	0.0	89.7	(0.0)	89.7
Maint-Labor	35.8	0.0	35.8	0.0	35.8	0.0	35.8
Maint-Others	43.8	0.0	43.8	0.0	43.8	0.0	43.8
A&G Expenses							
Office Supplies	39.6	0.0	39.6	0.0	39.6	(0.0)	39.6
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.1	0.0	0.1	0.0	0.1	0.0	0.1
Pension & Benefits	4.2	0.0	4.2	0.0	4.2	0.0	4.2
Business Meals	0.3	0.0	0.3	0.0	0.3	(0.0)	0.3
Regulatory Comm	9.7	(2.2)	7.5	0.0	7.5	(0.6)	8.1
Outside Services	2.2	0.0	2.2	0.0	2.2	0.0	2.2
Misc	0.6	0.0	0.6	0.0	0.6	(0.0)	0.6
Alloc Gen Office	162.1	0.0	162.1	51.3	110.8	0.2	110.6
Alloc Region Office	35.7	(0.9)	34.8	0.0	34.8	2.5	32.3
Alloc District Office	20.1	0.0	20.1	4.9	15.2	0.0	15.2
Maintenance	1.6	0.0	1.6	0.0	1.6	(0.0)	1.6
Rent	12.4	0.0	12.4	0.0	12.4	(0.0)	12.4
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	16.5	(0.0)	16.5	0.0	16.5	0.0	16.5
Depreciation	307.9	(0.3)	307.7	6.7	300.9	(4.8)	305.7
Other Taxes							
Property Taxes	29.1	(0.0)	29.1	0.6	28.5	0.5	28.0
Payroll Taxes	21.0	0.0	21.0	0.0	21.0	(0.0)	21.0
Local Taxes	0.1	0.0	0.1	0.0	0.1	(0.0)	0.1
Income Taxes	113.9	9.7	123.6	(30.7)	154.3	(20.9)	175.2
Total Expenses After Taxes	1,342.3	5.2	1,347.5	37.6	1,309.9	2.4	1,307.5
Net Operating Revenues	307.0	13.7	320.7	(37.6)	358.3	(13.7)	372.0
Rate Base	4,670.6	(9.7)	4,660.9	199.1	4,461.8	48.5	4,413.3
Rate of Return	6.57%		6.88%		8.03%		8.43%
AT PROPOSED RATES:							
Operating Revenues	1,886.3	(52.3)	1,834.0	99.0	1,735.0	26.0	1,709.0
Uncollectibles	8.7	(0.2)	8.4	0.5	8.0	0.1	7.9
Local Taxes	0.1	(0.0)	0.1	0.0	0.1	0.0	0.1
Income Taxes	217.3	(21.3)	196.0	12.6	183.4	7.8	175.6
Total Expenses After Taxes	1,446.8	(26.1)	1,420.6	81.3	1,339.3	31.2	1,308.1
Net Operating Revenues	439.6	(26.2)	413.4	17.7	395.7	7.2	388.5
Rate Base	4,670.6	(9.7)	4,660.9	199.1	4,461.8	48.5	4,413.3
Rate of Return	9.41%		8.87%		8.87%		8.80%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Region 1 – Clearlake A.07-01-011
TEST YEAR 2008

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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	1,649.3	18.9	1,668.2	0.0	1,668.2	(11.5)	1,679.7
Operating Expenses	1,228.3	(4.5)	1,223.9	68.3	1,155.6	23.3	1,132.3
Interest on LTD	169.1	(0.4)	168.7	7.2	161.5	1.8	159.8
Book Depr'n (w/ G.O.)	(316.9)	0.3	(316.7)	(9.5)	(307.2)	(1.5)	(305.7)
Total Deductions	1,080.5	(4.6)	1,075.9	66.0	1,009.9	23.5	986.4
State Tax Depreciation	(374.5)	0.3	(374.2)	(8.2)	(366.0)	(0.3)	(365.7)
Other State Schedule M	10.2	0.0	10.2	0.0	10.2	2.3	7.9
8.84% --State Tax	18.1	2.1	20.2	(6.5)	26.7	(3.0)	29.7
Book Depr'n (w/ G.O.)	(316.9)	0.3	(316.7)	(9.5)	(307.2)	(1.5)	(305.7)
Tax Depr. - Flow Through	27.1	0.0	27.1	0.0	27.1	0.0	27.1
State Tax Deduction	(18.1)	(2.1)	(20.2)	6.5	(26.7)	3.0	(29.7)
Other Fed Schedule M	8.5	0.0	8.5	0.0	8.5	0.0	8.5
Def Rev Amort - Contrib	4.5	0.0	4.5	0.0	4.5	0.0	4.5
Adjustment for Job Creation Act				0.0			
35.00% --Federal Tax	95.8	7.6	103.4	(24.2)	127.6	(11.7)	139.3
TOTAL INCOME TAX	113.9	9.7	123.6	(30.7)	154.3	(14.7)	169.0
AT PROPOSED RATES:							
Total Operating Revenues	1,886.3	(52.3)	1,834.0	99.0	1,735.0	26.0	1,709.0
Operating Expenses	1,229.5	(4.8)	1,224.8	68.7	1,155.9	23.6	1,132.3
Interest on LTD	169.1	(0.4)	168.7	7.2	161.5	1.8	159.8
Book Depr'n (w/ G.O.)	(316.9)	0.3	(316.7)	(9.5)	(307.2)	(1.5)	(305.7)
Total Deductions	1,081.6	(4.9)	1,076.7	66.5	1,010.2	23.8	986.4
State Tax Depreciation	(374.5)	0.3	(374.2)	(8.2)	(366.0)	(0.3)	(365.7)
Other State Schedule M	10.2	0.0	10.2	0.0	10.2	(13.3)	23.5
8.84% --State Tax	38.9	(4.1)	34.8	2.2	32.6	(1.3)	33.9
Book Depr'n (w/ G.O.)	(316.9)	0.3	(316.7)	(9.5)	(307.2)	(1.5)	(305.7)
Tax Depr. - Flow Through	27.1	0.0	27.1	0.0	27.1	0.0	27.1
State Tax Deduction	(18.1)	(2.1)	(20.2)	6.5	(26.7)	7.2	(33.9)
Other Fed Schedule M	8.5	0.0	8.5	0.0	8.5	0.0	8.5
Def Rev Amort - Contrib	4.5	0.0	4.5	0.0	4.5	0.0	4.5
Adjustment for Job Creation Act				0.0		0.0	0.0
35.00% --Federal Tax	178.4	(17.2)	161.2	10.4	150.8	9.1	141.7
TOTAL INCOME TAX	217.3	(21.3)	196.0	12.6	183.4	7.8	175.6

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 1 -- Los Osos A.07-01-012
TEST YEAR: 2008

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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	2,103.6	0.0	2,103.6	0.0	2,103.6	0.1	2,103.5
Oper. & Maint. Expenses							
Purchased Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased Power	178.6	0.0	178.6	0.0	178.6	0.1	178.5
Pump Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chemicals	171.6	(8.7)	162.9	0.0	162.9	10.0	152.9
Common Cust. Acct. (G	27.2	0.0	27.2	8.6	18.5	0.1	18.4
Common Cust. Acct. (R	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	2.0	0.0	2.0	0.0	2.0	(0.4)	2.4
Oper-Labor	232.7	(0.0)	232.7	77.6	155.1	0.0	155.1
Oper-Others	81.4	0.0	81.4	0.0	81.4	0.0	81.4
Maint-Labor	57.2	0.0	57.2	17.2	40.0	0.0	40.0
Maint-Others	78.2	0.0	78.2	0.0	78.2	0.0	78.2
A&G Expenses							
Office Supplies	39.6	0.0	39.6	0.0	39.6	(0.0)	39.6
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension & Benefits	0.6	0.0	0.6	0.0	0.6	0.0	0.6
Business Meals	0.2	0.0	0.2	0.0	0.2	(0.0)	0.2
Regulatory Comm	24.6	(10.6)	14.0	0.0	14.0	1.8	12.2
Outside Services	75.8	0.0	75.8	0.0	75.8	(0.0)	75.8
Misc	0.3	0.0	0.3	0.0	0.3	0.0	0.3
Alloc Gen Office	302.0	0.0	302.0	92.8	209.3	3.2	206.1
Alloc Region Office	66.6	(1.7)	64.9	0.0	64.9	4.8	60.1
Alloc District Office	36.5	0.0	36.5	1.4	35.0	(0.8)	35.8
Maintenance	8.9	(3.6)	5.3	0.0	5.3	0.0	5.3
Rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	41.4	(0.0)	41.4	14.3	27.1	0.0	27.1
Depreciation	460.7	(17.8)	442.9	18.2	424.8	16.9	407.9
Other Taxes							
Property Taxes	67.2	(2.4)	64.9	2.4	62.5	1.5	61.0
Payroll Taxes	26.7	(0.0)	26.7	8.8	17.9	(0.1)	18.0
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	(66.3)	27.1	(39.2)	(108.9)	69.7	2.4	67.3
Total Expenses After Taxes	1,913.7	(17.7)	1,896.1	132.4	1,763.6	39.4	1,724.2
Net Operating Revenues	189.8	17.7	207.5	(132.4)	339.9	(39.4)	379.3
Rate Base	8,824.2	(583.8)	8,240.4	721.0	7,519.4	409.8	7,109.7
Rate of Return	2.15%		2.52%		4.52%		5.34%
AT PROPOSED RATES:							
Operating Revenues	3,245.2	(206.2)	3,037.0	351.0	2,686.0	143.4	2,542.6
Uncollectibles	3.1	(0.2)	2.9	0.3	2.6	0.1	2.4
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	433.7	(64.2)	369.5	44.7	324.8	65.3	259.5
Total Expenses After Taxes	2,414.8	(109.1)	2,305.7	286.4	2,019.4	102.9	1,916.4
Net Operating Revenues	830.4	(99.1)	731.3	64.6	666.6	40.9	625.7
Rate Base	8,824.2	(583.8)	8,240.4	721.0	7,519.4	409.8	7,109.7
Rate of Return	9.41%		8.87%		8.87%		8.80%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Region 1 – Los Osos A.07-01-012
TEST YEAR 2008

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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	2,103.6	0.0	2,103.6	0.0	2,103.6	0.1	2,103.5
Operating Expenses	1,980.0	(44.7)	1,935.3	241.3	1,694.0	37.1	1,656.9
Interest on LTD	319.4	(21.1)	298.3	26.1	272.2	14.8	257.4
Book Depr'n (w/ G.O.)	(477.5)	17.8	(459.7)	(23.3)	(436.4)	(11.8)	(424.7)
Total Deductions	1,822.0	(48.1)	1,773.9	244.2	1,529.8	40.2	1,489.6
State Tax Depreciation	(560.2)	21.6	(538.6)	(22.1)	(516.5)	(11.9)	(504.6)
Other State Schedule M	19.1	0.0	19.1	0.0	19.1	4.2	14.9
8.84% --State Tax	(22.9)	6.1	(16.8)	(23.5)	6.7	(3.6)	10.3
Book Depr'n (w/ G.O.)	(477.5)	17.8	(459.7)	(23.3)	(436.4)	(11.8)	(424.7)
Tax Depr. - Flow Through	33.0	0.0	33.0	0.0	33.0	0.0	33.0
State Tax Deduction	22.9	(6.1)	16.8	23.5	(6.7)	57.6	(64.3)
Other Fed Schedule M	15.8	0.0	15.8	0.0	15.8	3.6	12.2
Def Rev Amort - Contrib	0.3	0.0	0.3	0.0	0.3	0.0	0.3
35.00% --Federal Tax	(43.4)	20.9	(22.5)	(85.4)	62.9	5.9	57.0
TOTAL INCOME TAX	(66.3)	27.0	(39.3)	(108.9)	69.6	2.3	67.3
AT PROPOSED RATES:							
Total Operating Revenues	3,245.2	(208.2)	3,037.0	351.0	2,686.0	143.4	2,542.6
Operating Expenses	1,981.1	(44.9)	1,936.2	241.7	1,694.6	37.7	1,656.9
Interest on LTD	319.4	(21.1)	298.3	26.1	272.2	14.8	257.4
Book Depr'n (w/ G.O.)	(477.5)	17.8	(459.7)	(23.3)	(436.4)	(11.8)	(424.7)
Total Deductions	1,823.1	(48.3)	1,774.8	244.5	1,530.3	32.8	1,497.5
State Tax Depreciation	(560.2)	21.6	(538.6)	(22.1)	(516.5)	(11.9)	(504.6)
Other State Schedule M	19.1	0.0	19.1	0.0	19.1	6.9	12.2
8.84% --State Tax	77.9	(12.3)	65.6	7.4	58.2	9.1	49.1
Book Depr'n (w/ G.O.)	(477.5)	17.8	(459.7)	(23.3)	(436.4)	(11.8)	(424.7)
Tax Depr. - Flow Through	33.0	0.0	33.0	0.0	33.0	0.0	33.0
State Tax Deduction	22.9	(6.1)	16.8	23.5	(6.7)	42.4	(49.1)
Other Fed Schedule M	15.8	0.0	15.8	0.0	15.8	3.6	12.2
Def Rev Amort - Contrib	0.3	0.0	0.3	0.0	0.3	0.0	0.3
Adjustment for Job Creation Act			0.0		0.0	0.0	0.0
35.00% --Federal Tax	355.8	(51.9)	303.9	37.3	266.6	56.2	210.4
TOTAL INCOME TAX	433.7	(64.2)	369.5	44.7	324.8	65.3	259.5

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 1 – Ojai A.07-01-013
TEST YEAR 2008

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SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	3,261.8	0.0	3,261.8	0.0	3,261.8	0.0	3,261.8
Oper. & Maint. Expenses							
Purchased Water	301.3	0.0	301.3	0.0	301.3	(0.0)	301.3
Purchased Power	332.8	0.0	332.8	0.0	332.8	(0.0)	332.8
Pump Taxes	10.1	0.0	10.1	0.0	10.1	0.0	10.1
Chemicals	39.4	(2.1)	37.3	0.0	37.3	2.2	35.1
Common Cust. Acct. (G	34.2	0.0	34.2	11.0	23.2	0.1	23.1
Common Cust. Acct. (R	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	5.1	0.0	5.1	0.0	5.1	(1.3)	6.4
Oper-Labor	254.1	(14.1)	240.0	0.0	240.0	23.2	216.8
Oper-Others	78.2	(8.2)	70.0	0.0	70.0	1.2	68.8
Maint-Labor	44.7	0.0	44.7	0.0	44.7	0.0	44.7
Maint-Others	270.8	0.0	270.8	0.0	270.8	0.0	270.8
A&G Expenses							
Office Supplies	44.0	0.0	44.0	0.0	44.0	0.0	44.0
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	0.6	0.0	0.6	0.0	0.6	0.0	0.6
Pension & Benefits	2.9	0.0	2.9	0.0	2.9	(0.0)	2.9
Business Meals	1.2	0.0	1.2	0.0	1.2	(0.0)	1.2
Regulatory Comm	31.1	(13.7)	17.4	0.0	17.4	5.6	11.8
Outside Services	50.9	0.0	50.9	0.0	50.9	(0.0)	50.9
Misc	2.5	0.0	2.5	0.0	2.5	0.0	2.5
Alloc Gen Office	379.4	0.0	379.4	117.8	261.6	2.7	258.9
Alloc Region Office	82.9	(2.1)	80.8	0.0	80.8	5.9	74.9
Alloc District Office	45.8	0.0	45.8	1.8	44.0	(0.8)	44.8
Maintenance	12.0	(6.0)	6.0	0.0	6.0	1.2	4.8
Rent	25.5	0.0	25.5	0.0	25.5	(0.0)	25.5
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	52.8	0.0	52.8	0.0	52.8	0.0	52.8
Depreciation	660.6	(12.2)	648.4	17.2	631.2	13.9	617.3
Other Taxes							
Property Taxes	81.2	(1.4)	79.8	1.9	77.8	1.7	76.1
Payroll Taxes	28.3	(1.1)	27.2	0.0	27.2	1.7	25.5
Local Taxes	38.7	0.0	38.7	0.0	38.7	(9.5)	48.2
Income Taxes	(24.7)	31.1	6.4	(68.0)	74.3	0.0	74.3
Total Expenses After Taxes	2,886.4	(29.9)	2,856.5	81.7	2,774.8	47.9	2,726.9
Net Operating Revenues	375.4	29.9	405.3	(81.7)	487.0	(47.9)	534.9
Rate Base	12,518.1	(412.7)	12,105.3	483.2	11,622.1	451.5	11,170.7
Rate of Return	3.00%		3.35%		4.19%		4.79%
AT PROPOSED RATES:							
Operating Revenues	4,710.4	(242.4)	4,468.0	225.0	4,243.0	185.4	4,057.6
Uncollectibles	7.4	(0.4)	7.0	0.4	6.7	0.3	6.4
Local Taxes	55.9	(2.9)	53.1	2.7	50.4	2.2	48.2
Income Taxes	601.8	(73.8)	528.0	29.3	498.7	75.8	422.9
Adjustment to match DRA report							
Total Expenses After Taxes	3,532.4	(138.0)	3,394.4	182.0	3,212.4	137.3	3,075.1
Net Operating Revenues	1,178.0	(104.4)	1,073.6	43.0	1,030.6	48.1	982.5
Rate Base	12,518.1	(412.7)	12,105.3	483.2	11,622.1	451.5	11,170.7
Rate of Return	9.41%		8.87%		8.87%		8.80%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Region 1 – Ojai A.07-01-013
TEST YEAR 2008

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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	3,261.8	0.0	3,261.8	0.0	3,261.8	0.0	3,261.8
Operating Expenses	2,911.2	(61.0)	2,850.2	149.7	2,700.5	47.9	2,652.6
Interest on LTD	453.2	(14.9)	438.2	17.5	420.7	16.3	404.4
Book Depr'n (w/ G.O.)	(681.6)	12.2	(669.4)	(23.6)	(645.9)	(16.7)	(629.2)
Total Deductions	2,682.7	(63.7)	2,619.0	143.7	2,475.3	47.5	2,427.8
State Tax Depreciation	(803.3)	14.9	(788.5)	(20.9)	(767.6)	(16.9)	(750.7)
Other State Schedule M	24.0	0.0	24.0	0.0	24.0	5.3	18.7
8.84% --State Tax	(17.7)	7.0	(10.7)	(14.5)	3.8	(5.2)	9.0
Book Depr'n (w/ G.O.)	(681.6)	12.2	(669.4)	(23.6)	(645.9)	(16.7)	(629.2)
Tax Depr. - Flow Through	44.5	0.0	44.5	0.0	44.5	0.0	44.5
State Tax Deduction	17.7	(7.0)	10.7	14.5	(3.8)	74.6	(78.4)
Other Fed Schedule M	19.9	0.0	19.9	0.0	19.9	4.6	15.3
Def Rev Amort - Contrib	0.3	0.0	0.3	0.0	0.3	0.0	0.3
Adjustment for Job Creation Act				0.0			
35.00% --Federal Tax	(7.0)	24.1	17.1	(53.4)	70.5	5.2	65.3
TOTAL INCOME TAX	(24.7)	31.1	6.4	(67.9)	74.3	0.0	74.3
AT PROPOSED RATES:							
Total Operating Revenues	4,710.4	(242.4)	4,468.0	225.0	4,243.0	185.4	4,057.6
Operating Expenses	2,930.6	(64.2)	2,866.4	152.7	2,713.7	61.1	2,652.6
Interest on LTD	453.2	(14.9)	438.2	17.5	420.7	16.3	404.4
Book Depr'n (w/ G.O.)	(681.6)	12.2	(669.4)	(23.6)	(645.9)	(16.7)	(629.2)
Total Deductions	2,702.2	(67.0)	2,635.2	146.7	2,488.5	60.7	2,427.8
State Tax Depreciation	(803.3)	14.9	(788.5)	(20.9)	(767.6)	(16.9)	(750.7)
Other State Schedule M	24.0	0.0	24.0	0.0	24.0	5.3	18.7
8.84% --State Tax	108.6	(14.2)	94.4	5.0	89.4	10.0	79.4
Book Depr'n (w/ G.O.)	(681.6)	12.2	(669.4)	(23.6)	(645.9)	(16.7)	(629.2)
Tax Depr. - Flow Through	44.5	0.0	44.5	0.0	44.5	0.0	44.5
State Tax Deduction	17.7	(7.0)	10.7	14.5	(3.8)	75.8	(79.4)
Other Fed Schedule M	19.9	0.0	19.9	0.0	19.9	4.6	15.3
Def Rev Amort - Contrib	0.3	0.0	0.3	0.0	0.3	0.0	0.3
Adjustment for Job Creation Act				0.0			
35.00% --Federal Tax	493.2	(59.6)	433.6	24.3	409.3	65.8	343.5
TOTAL INCOME TAX	601.8	(73.8)	528.0	29.3	498.7	75.8	422.9

APPENDIX A

RECONCILIATION EXHIBIT
GOLDEN STATE WATER COMPANY
Region 1 – Santa Maria A.07-01-014
TEST YEAR 2008

Page 1

SUMMARY OF EARNINGS	GSWC	Change	GSWC Stipulation	Difference	DRA Stipulation	Change	DRA
AT PRESENT RATES:							
Operating Revenues	8,146.7	58.0	8,202.7	0.0	8,202.7	(44.9)	8,247.6
Oper. & Maint. Expenses							
Purchased Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchased Power	1,509.3	15.3	1,524.6	0.0	1,524.6	(19.5)	1,544.1
Pump Taxes	218.8	(218.8)	0.0	0.0	0.0	0.0	0.0
Chemicals	43.6	0.4	44.0	0.0	44.0	(0.0)	44.0
Common Cust. Acct. (G	106.1	0.0	106.1	34.1	72.0	0.1	71.9
Common Cust. Acct. (R	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common Cust. Acct. (D	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Postage	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncollectibles	5.0	0.0	5.1	0.0	5.1	(0.1)	5.1
Oper-Labor	509.0	(0.0)	509.0	0.0	509.0	0.0	509.0
Oper-Others	298.3	(22.9)	275.4	0.0	275.4	3.7	271.7
Maint-Labor	147.6	0.0	147.6	0.0	147.6	0.0	147.6
Maint-Others	337.6	(37.6)	300.0	0.0	300.0	54.6	245.4
A&G Expenses							
Office Supplies	69.4	(9.4)	60.0	0.0	60.0	14.8	45.2
Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Injuries & Damages	1.3	0.0	1.3	0.0	1.3	(0.0)	1.3
Pension & Benefits	7.2	(1.3)	5.9	0.0	5.9	0.0	5.9
Business Meals	1.2	0.0	1.2	0.0	1.2	(0.0)	1.2
Regulatory Comm	93.1	(38.6)	54.5	0.0	54.5	9.8	44.7
Outside Services	130.2	(55.2)	75.0	0.0	75.0	26.2	48.8
Misc	2.1	0.0	2.1	0.0	2.1	0.0	2.1
Alloc Gen Office	1,178.7	0.0	1,178.7	368.3	812.4	8.2	804.2
Alloc Region Office	259.2	(6.6)	252.5	0.0	252.5	18.5	234.0
Alloc District Office	142.3	0.0	142.3	5.6	136.7	(2.6)	139.3
Maintenance	8.0	0.0	8.0	0.0	8.0	0.0	8.0
Rent	72.7	0.0	72.7	0.0	72.7	0.0	72.7
A & G Exp. Capitalized	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&G Labor	56.3	(2.7)	53.6	0.0	53.6	2.8	50.8
Depreciation	1,588.1	(205.2)	1,382.9	29.3	1,353.6	5.6	1,348.0
Other Taxes							
Property Taxes	160.8	(12.4)	148.4	4.9	143.5	(7.0)	150.5
Payroll Taxes	57.4	(0.2)	57.2	0.0	57.2	(0.1)	57.3
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	119.9	337.7	457.6	(204.8)	662.4	(5.6)	668.0
Total Expenses After Taxes	7,123.3	(257.5)	6,865.8	235.4	6,630.4	109.6	6,520.8
Net Operating Revenues	1,023.5	313.5	1,336.9	(235.4)	1,572.3	(154.5)	1,726.8
Rate Base	27,458.7	(4,732.9)	22,725.9	1,777.2	20,948.7	(2,900.0)	23,848.7
Rate of Return	3.73%		5.88%		7.51%		7.24%
AT PROPOSED RATES:							
Operating Revenues	10,926.9	(1,514.9)	9,412.0	700.0	8,712.0	(198.2)	8,910.2
Uncollectibles	6.7	(0.9)	5.8	0.4	5.4	(0.1)	5.5
Local Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Taxes	1,338.1	(350.7)	987.4	101.9	885.5	(71.9)	957.4
Adjustment to match DRA report							
Total Expenses After Taxes	8,343.1	(946.8)	7,396.3	542.5	6,853.8	43.2	6,810.6
Net Operating Revenues	2,583.8	(568.1)	2,015.7	157.5	1,858.2	(241.4)	2,099.6
Rate Base	27,458.7	(4,732.9)	22,725.9	1,777.2	20,948.7	(2,900.0)	23,848.7
Rate of Return	9.41%		8.87%		8.87%		8.80%

APPENDIX A

RECONCILIATION EXHIBIT
SOUTHERN CALIFORNIA WATER COMPANY
Region 1 – Santa Maria A.07-01-014
TEST YEAR 2008

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INCOME TAX CALCULATION	GSWC	Change	GSWC Stipulation	Difference	Staff Stipulation	Change	Staff
AT PRESENT RATES:							
Total Operating Revenues	8,146.7	56.0	8,202.7	0.0	8,202.7	(44.9)	8,247.6
Operating Expenses	7,003.3	(595.1)	6,408.2	440.2	5,968.0	115.2	5,852.8
Interest on LTD	994.0	(171.3)	822.7	64.3	758.3	(105.0)	863.3
Book Depr'n (w/ G.O.)	(1,653.5)	205.2	(1,448.3)	(49.1)	(1,399.2)	(14.1)	(1,385.1)
Total Deductions	6,343.8	(561.2)	5,782.6	455.4	5,327.2	(3.9)	5,331.0
State Tax Depreciation	(1,931.3)	249.6	(1,681.7)	(35.6)	(1,646.1)	(6.8)	(1,639.3)
Other State Schedule M	74.6	0.0	74.6	0.0	74.6	16.4	58.2
8.84% --State Tax	(4.8)	76.7	71.9	(43.4)	115.3	(2.8)	118.1
Book Depr'n (w/ G.O.)	(1,653.5)	205.2	(1,448.3)	(49.1)	(1,399.2)	(14.1)	(1,385.1)
Tax Depr. - Flow Through	132.5	0.0	132.5	0.0	132.5	0.0	132.5
State Tax Deduction	4.8	(76.7)	(71.9)	43.4	(115.3)	33.0	(148.3)
Other Fed Schedule M	61.7	0.0	61.7	0.0	61.7	14.1	47.6
Def Rev Amort - Contrib	7.9	0.0	7.9	0.0	7.9	0.0	7.9
Adjustment for Job Creation Act				0.0			
35.00% --Federal Tax	124.7	261.0	385.7	(161.4)	547.1	(2.8)	549.9
TOTAL INCOME TAX	119.9	337.7	457.6	(204.8)	662.4	(5.6)	668.0
AT PROPOSED RATES:							
Total Operating Revenues	10,926.9	(1,514.9)	9,412.0	700.0	8,712.0	(198.2)	8,910.2
Operating Expenses	7,005.0	(596.1)	6,408.9	440.6	5,968.3	115.5	5,852.8
Interest on LTD	994.0	(171.3)	822.7	64.3	758.3	(105.0)	863.3
Book Depr'n (w/ G.O.)	(1,653.5)	205.2	(1,448.3)	(49.1)	(1,399.2)	(14.1)	(1,385.1)
Total Deductions	6,345.5	(562.2)	5,783.3	455.8	5,327.5	(3.6)	5,331.0
State Tax Depreciation	(1,931.3)	249.6	(1,681.7)	(35.6)	(1,646.1)	(6.8)	(1,639.3)
Other State Schedule M	74.6	0.0	74.6	0.0	74.6	16.4	58.2
8.84% --State Tax	240.9	(62.2)	178.7	18.4	160.3	(16.3)	176.6
Book Depr'n (w/ G.O.)	(1,653.5)	205.2	(1,448.3)	(49.1)	(1,399.2)	(14.1)	(1,385.1)
Tax Depr. - Flow Through	132.5	0.0	132.5	0.0	132.5	0.0	132.5
State Tax Deduction	4.8	(76.7)	(71.9)	43.4	(115.3)	33.0	(148.3)
Other Fed Schedule M	61.7	0.0	61.7	0.0	61.7	14.1	47.6
Def Rev Amort - Contrib	7.9	0.0	7.9	0.0	7.9	(0.0)	7.9
Adjustment for Job Creation Act				0.0		0.0	0.0
35.00% --Federal Tax	1,097.2	(288.5)	808.7	83.5	725.2	(55.6)	780.8
TOTAL INCOME TAX	1,338.1	(350.7)	987.4	101.9	885.5	(71.9)	957.4

APPENDIX B

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Region I HQ					
Training Room Videoconferencing mod.	2007	0	8,700	0	
HVAC Modifications	2007	4,300	4,800	4,800	/2
Small conference room mod	2007	0	4,800	0	
SOLA Key Card Access Systeem					
Firmware/Software Upgrade	2007	1,700	1,900	1,900	/2
H2O Map - Hydraulic Modeling Software (E&P - 1 seat)	2007	7,700	8,700	8,700	/2
Facility phone sys upgrade	2007	15,000	30,900	15,000	/8
Major Computer Systems (SQUID server)	2007	18,800	21,300	21,300	/2
Upgrade videoconferencing syst	2007	0	6,800	7,000	/2
Misc. Furniture & Partitions	2007	3,000	10,600	3,000	/4
Large Format Scanner & Inkjet Plotter (E&P)	2007	29,000	33,800	33,800	/2
Misc. computers & office equip	2007	16,000	23,200	20,000	/5
Misc. Tools & Safety Equip	2007	1,700	1,900	1,900	/2
AutoCAD Upgrade (6 seats)	2008	28,300	30,400	30,400	/2
Major Computer Systems (Region 1 server)	2008	47,100	50,700	50,700	/2
Major Computer Systems (E&P Archive Storage System)	2008	28,300	30,400	30,400	/2
Misc. Furniture & Partitions	2008	3,000	11,200	7,000	/5
E&P color copier	2008	0	30,400	30,000	/2
Misc. computers & office equip	2008	16,000	24,000	20,000	/5
Misc. Tools & Safety Equip	2008	1,900	2,000	2,000	/2
Major Computer Systems (Replace Network Switches)	2009	48,300	53,300	53,300	/2
Training room computers	2009	5,000	10,700	8,000	/5
Misc. Furniture & Partitions	2009	3,000	11,700	7,000	/5
Vehicle replacement- E&P Mgr	2009	0	41,500	0	
Misc. computers & office equip	2009	16,000	25,600	20,000	/5
Misc. Tools & Safety Equip	2009	1,900	2,100	2,100	/2
Northern District Office					
Minor Purification Equipment	2007	1,700	1,900	1,900	/2
Laptop for Electrician	2007	2,100	2,400	2,400	/2
Computer hardware	2007	4,300	4,800	4,800	/2
computer software upgrade	2007	0	9,700	10,000	/2
Wonderware server	2007	12,800	14,500	14,500	/2
replace vehicle #586	2007	0	30,900	0	
Misc. tools & safety equipment	2007	0	4,800	2,500	/5
Minor Purification Equipment	2008	1,900	2,000	2,000	/2
Replace Laptop for SCADA Tech	2008	2,400	2,500	2,500	/2
Computer hardware	2008	4,700	5,100	5,100	/2
computer software upgrade	2008	0	10,100	0	
replace vehicle #1013	2008	30,100	32,500	32,500	/2
Misc. tools & safety equipment	2008	0	5,100	2,500	/5
Minor Purification Equipment	2009	1,900	2,100	2,100	/2
Replace workstations	2009	0	10,700	0	
Computer hardware	2009	4,800	5,300	5,300	/2
computer software upgrade	2009	0	10,700	10,000	/2
Replace vehicle#2000	2009	0	41,500	0	

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Misc. tools & safety equipment	2009	0	5,300	2,500	/5
Coastal District Office					
Misc. Office Equipment	2007	1,700	1,900	1,900	/2
District office furniture	2007	0	14,500	15,000	/2
Laptop District Manager	2007	1,700	1,900	1,900	/2
Computer Hardware	2007	4,300	4,800	4,800	/2
Software upgrade	2007	0	1,900	0	
Replace Vehicle #944	2007	25,600	29,000	29,000	/2
Replace Vehicle #1004	2007	31,600	35,700	35,700	/2
Misc. tools & safety equipment	2007	2,000	4,800	2,500	/4
Misc. Office Equipment	2008	1,900	2,000	2,000	/2
Misc. office furniture	2008	0	10,100	4,000	/4
Laptop District Electrician	2008	1,900	2,000	2,000	/2
Computer Hardware	2008	4,700	5,100	5,100	/2
Software upgrade	2008	0	2,000	0	
Misc. tools & safety equipment	2008	2,000	5,100	2,500	/4
Misc. Office Equipment	2009	1,900	2,100	2,100	/2
Replace Workstations (5)	2009	0	10,700	0	
Computer Hardware	2009	6,800	7,500	7,500	/2
Software upgrade	2009	0	5,300	0	
District electrician vehicle	2009	0	42,600	0	
Misc. tools & safety equipment	2009	2,000	5,300	2,500	/4
Arden Cordova					
Coloma Reservoir No. 1	2007	78,000	246,000	252,000	/6
Pyrites WTP	2007	36,000	43,000	43,000	/1
Morse Well No. 8	2007	121,000	203,000	121,000	/3
Coloma Well No. 20	2007	13,000	16,000	16,000	/1
Marcel Well #5	2007	90,000	106,000	106,000	/1
Capital Well No. 23	2007	27,000	32,000	32,000	/1
Misc. Bowl Replacement	2007	30,000	53,000	30,000	/3
Street Improvement	2007	8,000	53,000	53,000	/1
Meter Retrofit Program	2007	224,000	266,000	266,000	/1
Warehouse Design & permitting	2007	0	830,000	0	
Folsom South Canal	2007	13,000	16,000	16,000	/1
New Business Funded by GSWC	2007	100,000	100,000	100,000	/5
New Business Funded by Others	2007	300,000	300,000	300,000	/5
Meters	2007	59,700	67,600	67,600	/2
Services	2007	42,600	48,300	48,300	/2
Minor Main Replacement	2007	8,500	9,700	9,700	/2
Minor Pumping Plant Equipment and Structures	2007	8,500	9,700	9,700	/2
Turbidimeter, Filtered Water, CTP, qty 2	2007	4,700	5,300	5,300	/2
Chlorine Analyzers, MN Filter Plants, qty 3	2007	12,800	14,500	14,500	/2
Minor Purification Equipment and Structures	2007	8,500	9,700	9,700	/2
Office Furniture and Equipment	2007	4,300	4,800	4,800	/2
Replace Vehicle No. 679, 98 Chevy	2007	31,600	35,700	35,700	/2
Miscellaneous Tools and Safety Equipment	2007	4300	4,800	4,800	/2
Coloma WTP Filter Media Repl	2008	47,000	54,000	54,000	/1

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Misc. Bowl Replacement	2008	34,000	56,000	34,000	/3
Street Improvement	2008	10,000	33,000	33,000	/1
Meter Retrofit Program	2008	247,000	279,000	279,000	/1
Warehouse Construction	2008	0	907,000	0	
New Business Funded by GSWC	2008	50,000	50,000	50,000	/5
New Business Funded by Others	2008	300,000	300,000	300,000	/5
Meters	2008	65,900	71,000	71,000	/2
Services	2008	47,100	50,700	50,700	/2
Minor Main Replacement	2008	9,400	10,100	10,100	/2
Minor Pumping Plant Equipment and Structures	2008	9,400	10,100	10,100	/2
Minor Purification Equipment and Structures	2008	9,400	10,100	10,100	/2
Work Stations, Office Furniture and Equip for Crews Quarters	2008	0	101,400	0	
Miscellaneous Tools and Safety Equipment	2008	4,700	5,100	5,100	/2
Coloma Treatment Plant	2009	41,000	47,000	47,000	/1
Trussel Plant	2009	0	217,000	0	
Filter Media Replacement (2)	2009	103,000	120,000	120,000	/1
Misc. Bowl Replacement	2009	36,000	59,000	36,000	/3
Street Improvement	2009	10,000	35,000	35,000	/1
Newton Main	2009	0	511,000	511,000	/1
Dawes Main	2009	0	293,000	293,000	/1
Meter Retrofit Program	2009	304,000	351,000	351,000	/1
New Business Funded by GSWC	2009	50,000	50,000	50,000	/5
New Business Funded by Others	2009	300,000	300,000	300,000	/5
Meters	2009	72,500	79,900	79,900	/2
Services	2009	48,300	53,300	53,300	/2
Minor Main Replacement	2009	9,700	10,700	10,700	/2
Minor Pumping Plant Equipment and Structures	2009	9,700	10,700	10,700	/2
Minor Purification Equipment and Structures	2009	9,700	10,700	10,700	/2
Office Furniture and Equipment	2009	4,800	5,300	5,300	/2
Miscellaneous Tools and Safety Equipment	2009	4,800	5,300	5,300	/2
Bay Point					
Hill Street WTP- Filter media	2007	40,000	90,000	90,000	/1
Misc Bowl Replacement	2007	2,900	21,000	12,000	/5
Install 12" from Hill Street Res to Alberts/Water (07)	2007	208,000	247,000	247,000	/1
Install 8" on Waters from Marys Ave to Marys Ave (07)	2007	358,000	425,000	425,000	/1
Relocate and replace Hydrants (07)	2007	45,000	53,000	53,000	/1
New Business Funded by GSWC	2007	25,000	25,000	25,000	/5
New Business Funded by Others	2007	100,000	100,000	100,000	/5
Meters	2007	11,500	13,000	13,000	/2
Services	2007	128,000	145,000	145,000	/2
Minor Main Replacement	2007	8,500	9,700	9,700	/2
Minor Pumping Plant Equipment and Structures	2007	1,300	1,400	1,400	/2
Minor Purification Equipment and Structures	2007	1,700	1,900	1,900	/2
Office Furniture and Equipment	2007	1,700	1,900	1,900	/2

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Miscellaneous Tools and Safety Equipment	2007	1700	1,900	1,900	/2
Misc SCADA Improvements	2008	10,000	11,000	11,000	/1
Hill Street WTP- Filter media	2008	43,000	112,000	112,000	/1
Misc Bowl Replacement	2008	3,000	22,000	12,000	/5
Misc Street Improvements	2008	20,000	22,000	22,000	/1
Willow Pass, b/w Alberts to Port Chicago	2008	485,000	547,000	547,000	/1
Alberts, b/w Water St and Willow Pass	2008	119,000	134,000	134,000	/1
Manuel Ct. to Driftwood Dr. main ext.	2008	0	112,000	0	
New Business Funded by GSWC	2008	25,000	25,000	25,000	/5
New Business Funded by Others	2008	100,000	100,000	100,000	/5
Meters	2008	12,700	13,700	13,700	/2
Services	2008	141,300	152,200	152,200	/2
Minor Main Replacement	2008	9,400	10,100	10,100	/2
Minor Pumping Plant Equipment and Structures	2008	1,400	1,500	1,500	/2
Minor Purification Equipment and Structures	2008	1,900	2,000	2,000	/2
Office Furniture and Equipment	2008	1,900	2,000	2,000	/2
Miscellaneous Tools and Safety Equipment	2008	1,900	2,000	2,000	/2
Purchase Hill St. Property	2009	0	452,000	452,000	/6
Misc SCADA Improvements	2009	5,000	6,000	6,000	/1
Hill Street WTP	2009	41,000	47,000	47,000	/1
Misc Street Improvements	2009	20,000	23,000	23,000	/1
Peninsula, b/w Beach St & Canal Dr	2009	114,000	131,000	131,000	/1
Shore b/w Canal Dr & Lake View Ave	2009	269,000	310,000	310,000	/1
New Business Funded by GSWC	2009	5,000	5,000	5,000	/5
New Business Funded by Others	2009	50,000	50,000	50,000	/5
Meters	2009	13,000	14,400	14,400	/2
Services	2009	145,200	160,000	160,000	/2
Minor Main Replacement	2009	9,700	10,700	10,700	/2
Minor Pumping Plant Equipment and Structures	2009	1,400	1,600	1,600	/2
Minor Purification Equipment and Structures	2009	1,900	2,100	2,100	/2
Office Furniture and Equipment	2009	1,900	2,100	2,100	/2
Miscellaneous Tools and Safety Equipment	2009	1,900	2,100	2,100	/2
Clearlake					
Misc. Bowl Replacement	2007	0	11,000	5,500	/5
Misc. Street Improvement	2007	0	5,000	2,500	/5
Marin - Between 3671 Marin and 3891 Marin	2007	143,000	170,000	170,000	/1
SCADA	2007	18,000	21,000	21,000	/1
New Business Funded by GSWC	2007	5,000	5,000	5,000	/5
New Business Funded by Others	2007	50,000	50,000	50,000	/5
Meters	2007	8,500	9,700	9,700	/2
Services	2007	17,100	19,300	19,300	/2
Minor Main Replacement	2007	6,000	6,800	6,800	/2
Minor Pumping Plant Equipment and Structures	2007	1,700	1,900	1,900	/2
Minor Purification Equipment and Structures	2007	900	1,000	1,000	/2
Replace Turbidimeter, qty 2	2007	4,700	5,300	5,300	/2
Office Furniture and Equipment	2007	4,300	4,800	4,800	/2
Sonoma WTP Replace Air Compressor	2008	25,000	28,000	28,000	/1
Sonoma WTP Replace Air Dryer	2008	25,000	28,000	28,000	/1

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Misc. Bowl Replacement	2008	0	6,000	3,000	/5
Misc. Street Improvement	2008	0	6,000	3,000	/5
Sunset Ave b/w W. 40th and Davis	2008	277,000	312,000	312,000	/1
New Business Funded by GSWC	2008	5,000	5,000	5,000	/5
New Business Funded by Others	2008	50,000	50,000	50,000	/5
Meters	2008	4,700	5,100	5,100	/2
Services	2008	9,400	10,100	10,100	/2
Minor Main Replacement	2008	4,700	5,100	5,100	/2
Minor Pumping Plant Equipment and Structures	2008	1,900	2,000	2,000	/2
Minor Purification Equipment and Structures	2008	900	1,000	1,000	/2
Office Furniture and Equipment	2008	900	1,000	1,000	/2
Miscellaneous Tools and Safety Equipment	2008	900	1,000	1,000	/2
Lakeshore Plant- Intake Strainer	2009	0	117,000	0	
Sonoma WTP - GAC changeout	2009	41,000	47,000	47,000	/1
Misc. Bowl Replacement	2009	0	12,000	6,000	/5
Misc. Street Improvement	2009	0	12,000	6,000	/5
Lakeshore Drive Main Replacement (3725 Monterey to 11949 Lakeshore Dr)	2009	101,000	117,000	117,000	/1
New Business Funded by GSWC	2009	5,000	5,000	5,000	/5
New Business Funded by Others	2009	50,000	50,000	50,000	/5
Meters	2009	9,700	10,700	10,700	/2
Services	2009	14,500	16,000	16,000	/2
Minor Main Replacement	2009	19,300	21,300	21,300	/2
Minor Pumping Plant Equipment and Structures	2009	1,900	2,100	2,100	/2
Minor Purification Equipment and Structures	2009	1,100	1,100	1,100	/2
Office Furniture and Equipment	2009	4,800	5,300	5,300	/2
Vehicle Replacement	2009	4,800	41,500	41,500	/2
Miscellaneous Tools and Safety Equipment	2009	1900	2,100	2,100	/2
Los Osos					
Major Projects 2007					
Los Olivos Security - Gate & Site lighting	2007	13,000	16,000	13,000	/3
Cabrillo - Flow Meter	2007	18,000	21,000	18,000	/3
Hydrants	2007	9,000	11,000	9,000	/3
Valves	2007	6,000	16,000	11,000	/3
SCADA - Implementation Plan: Los Osos & Edna	2007	0	53,000	26,500	/3
New Business Funded by GSWC	2007	0	0	0	
New Business Funded by Others	2007	50,000	50,000	50,000	/5
Meters	2007	11,500	34,800	20,000	/4
Services	2007	10,200	11,600	10,200	/4
Minor Pumping equipment	2007	2,500	4,800	3,200	/4
Minor Purification equipment	2007	3,600	19,300	5,000	/4
Office Furniture	2007	1,700	1,900	1,700	/4
Miscellaneous Tools and Equipment	2007	700	1,900	1,000	/4
Major Projects 2008					
Miscellaneous Bowl Replacements	2008	0	39,000	19,500	/3
Miscellaneous Street Improvements	2008	3,000	22,000	6,000	/3
Hydrants	2008	10,000	11,000	10,500	/5
Valves	2008	7,000	17,000	10,000	/3
Los Osos & Edna SCADA- Phase II	2008	0	279,000	139,500	/3

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
New Business Funded by GSWC	2008	0	0	0	
New Business Funded by Others	2008	50,000	50,000	50,000	/5
Meters	2008	17,100	40,600	20,000	/4
Services	2008	14,100	15,200	14,100	/4
Minor Pumping equipment	2008	3,800	5,100	3,800	/4
Minor Purification equipment	2008	5,300	10,100	5,300	/4
Office Furniture	2008	1,900	2,000	1,900	/4
3/4 Ton Service Vehicle (Employee Addition)	2008	0	38,600	tbd	/7
Miscellaneous Tools and Equipment	2008	1,000	2,000	1,000	/4
Major Projects 2009					
Miscellaneous Street Improvements	2009	3,000	12,000	7,500	/3
Hydrants	2009	20,000	23,000	20,000	/3
Valves	2009	7,000	35,000	10,000	/3
New Business Funded by GSWC	2009	0	0	0	
New Business Funded by Others	2009	50,000	50,000	50,000	/5
Meters	2009	13,700	42,600	20,000	/4
Services	2009	14,500	16,000	14,500	/4
Minor Pumping equipment	2009	3,000	10,700	3,700	/4
Minor Purification equipment	2009	4,300	16,000	5,300	/4
Office Furniture	2009	2,400	2,700	1,200	/4
Miscellaneous Tools and Equipment	2009	800	2,700	1,000	/4
Ojai					
Major Projects 2007					
San Antonio Creek Spreading Grounds - Permitting	2007	0	133,000	125,000	/5
Fairview Booster Pump- Install 3rd pump with VFD	2007	36,000	43,000	43,000	/1
Hydrants	2007	9,000	11,000	9,000	/3
12" Insertion Valves- Grand Avenue	2007	54,000	64,000	54,000	/3
El Paseo- 1,000 LF of 8-inch DIP	2007	61,000	213,000	170,000	/3
SCADA- Plan Implementation	2007	0	16,000	8,000	/3
New Business Funded by GSWC	2007	0	0	0	
New Business Funded by Others	2007	30,000	30,000	30,000	/5
Meters	2007	17,100	19,300	17,100	/4
Minor Pumping equipment	2007	2,300	4,800	3,000	/4
Minor Purification equipment	2007	4,300	4,800	4,800	/2
Office Furniture	2007	2,300	4,800	3,000	/4
Replace 3/4 -Ton Service Vehicle	2007	31,600	35,700	35,700	/2
Miscellaneous Tools and Equipment	2007	1,700	2,900	2,100	/4
Major Projects 2008					
Miscellaneous Bowl Replacement	2008	10,000	11,000	11,000	/1
San Antonio Creek Spreading Grounds- Construction	2008	0	195,000	0	
Hydrants	2008	10,000	11,000	10,000	/3
SCADA- Installation	2008	0	112,000	56,000	/3
New Business Funded by GSWC	2007	0	0	0	
New Business Funded by Others	2007	30,000	30,000	30,000	/5
Meters	2008	18,800	20,300	18,800	/4
Services	2008	111,400	120,000	111,400	/4
Minor Pumping equipment	2008	3,400	5,100	4,000	/4
Minor Purification equipment	2008	4,700	5,100	4,700	/4

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Office Furniture	2008	3,400	5,100	4,000	/4
Miscellaneous Tools and Equipment	2008	2,500	3,000	3,000	/2
Major Projects 2009					
Miscellaneous Street Improvements	2009	4,000	12,000	8,000	/3
Hydrants	2009	25,000	29,000	25,000	/3
New Business Funded by GSWC	2007	0	0	0	
New Business Funded by Others	2007	30,000	30,000	30,000	/5
Meters	2009	14,500	16,000	16,000	/2
Services	2009	108,900	120,000	108,900	/4
Minor Pumping equipment	2009	2,800	5,300	3,400	/4
Minor Purification equipment	2009	5,800	6,400	5,800	/4
Office Furniture	2009	2,700	5,300	5,000	/4
Replace Service Vehicle	2009	36,700	40,500	36,700	/4
Miscellaneous Tools and Equipment	2009	2,000	4,300	2,500	/4
Santa Maria					
Major Projects 2007					
Water Rights Adjudication	2007	0	4,640,675	0	
Street Improvements	2007	9,000	21,000	10,000	/3
Hydrants	2007	9,000	27,000	10,000	/3
Valves	2007	17,000	32,000	20,000	/3
Tejas/Mesa Zone Split	2007	0	80,000	0	
SCADA-Implementation Plan	2007	0	53,000	26,500	/3
New Business Funded by GSWC	2007	25,000	25,000	25,000	/5
New Business Funded by Others	2007	300,000	300,000	300,000	/5
Meters	2007	85,300	96,600	85,300	/4
Services	2007	128,000	145,000	128,000	/4
Minor Main Replacement	2007	5,800	29,000	7,200	/4
Minor Pumping equipment	2007	25,600	29,000	25,600	/4
Minor Purification equipment	2007	4,300	4,800	4,300	/4
Office Furniture	2007	4,300	4,800	4,300	/4
Heavy Duty 1-Ton Service Vehicle	2007	0	43,500	43,500	/2
Miscellaneous Tools and Equipment	2007	8,500	9,700	8,500	/4
Major Projects 2008					
Hydrants	2008	10,000	22,000	16,000	/3
Valves	2008	20,000	22,000	20,000	/3
Dakota Street Main & Evergreen Alley	2008	11,000	223,000	180,000	/3
SCADA- Improvements	2008	0	279,000	139,500	/3
New Business Funded by GSWC	2008	25,000	25,000	25,000	/5
New Business Funded by Others	2008	300,000	300,000	300,000	/5
Meters	2008	75,400	81,200	78,300	/5
Services	2008	70,600	76,100	73,350	/5
Minor Main Replacement	2008	8,600	30,400	10,000	/4
Minor Pumping equipment	2008	28,300	30,400	28,300	/4
Minor Purification equipment	2008	9,400	10,100	9,400	/4
Office Furniture	2008	4,700	5,100	4,700	/4
Replace Service Vehicle # 985	2008	35,800	38,600	35,800	/4
Replace Service Vehicle # 862	2008	35,800	38,600	35,800	/4
Replace Superintendent Vehicle # 1001	2008	26,400	28,400	26,400	/4
Miscellaneous Tools and Equipment	2008	9,400	10,100	9,400	/4
Major Projects 2009					
Street Improvements	2009	10,000	12,000	10,000	/3

Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Hydrants	2009	11,000	23,000	15,000	/3
Valves	2009	21,000	59,000	25,000	/3
Bradley Rd. Main Replacement	2009	12,000	234,000	190,000	/3
Old Town Orcutt Main Replacement	2009	0	234,000	190,000	/3
New Business Funded by GSWC	2009	25,000	25,000	25,000	/5
New Business Funded by Others	2009	300,000	300,000	300,000	/5
Meters	2009	96,700	106,500	96,700	/4
Services	2009	72,500	79,900	72,500	/4
Minor Main Replacement	2009	6,900	32,000	8,600	/4
Minor Pumping equipment	2009	29,000	32,000	29,000	/4
Minor Purification equipment	2009	9,700	10,700	9,700	/4
Office Furniture	2009	4,800	5,300	4,800	/4
Replace Service Vehicle	2009	36,700	40,500	36,700	/4
Miscellaneous Tools and Equipment	2009	9,700	10,700	9,700	/4

Simi Valley

Major Projects 2007

Improvements to Katherine Site- Demo Building	2007	0	64,000	3,200	/3
Security Lighting at all Sites	2007	36,000	43,000	39,500	/3
Miscellaneous Street Improvements	2007	4,000	11,000	7,500	/3
Valves	2007	3,000	32,000	10,000	/3
SCADA-Implementation Plan	2007	0	53,000	26,500	/3
New Business Funded by GSWC	2007	25,000	25,000	25,000	/5
New Business Funded by Others	2007	300,000	300,000	300,000	/5
Meters	2007	68,200	77,300	68,200	/4
Services	2007	17,100	19,300	17,100	/4
Minor Main Replacement	2007	0	9,700	2,000	/4
Minor Pumping equipment	2007	4,300	4,800	4,300	/4
Minor Purification equipment	2007	4,300	4,800	4,300	/4
Office Furniture	2007	4,300	4,800	4,300	/4
Air Compressor & Jack Hammer	2007	17,100	19,300	17,100	/4
Miscellaneous Tools and Equipment	2007	3,100	9,700	3,100	/4

Major Projects 2008

Tank Site Security Improvements	2008	89,000	100,000	94,500	/5
Misc. Street Improvements	2008	5,000	11,000	8,000	/3
Valves	2008	3,000	22,000	10,000	/3
SCADA	2008	0	112,000	56,000	/3
New Business Funded by GSWC	2008	25,000	25,000	25,000	/5
New Business Funded by Others	2008	300,000	300,000	300,000	/5
Meters	2008	94,200	101,400	94,200	/4
Services	2008	27,100	50,700	33,900	/4
Minor Main Replacement	2008	0	10,100	3,000	/4
Minor Pumping equipment	2008	4,700	5,100	4,700	/4
Minor Purification equipment	2008	4,700	5,100	4,700	/4
Office Furniture	2008	4,700	5,100	4,700	/4
Replace Superintendent Vehicle	2008	28,300	30,000	28,300	/4
New Service Vehicle (Addition to Staff)	2008	0	38,600	tdb	/7
Service Vehicle Replacement (#751)	2008	35,800	38,600	35,800	/4
Miscellaneous Tools and Equipment	2008	3,600	5,100	4,400	/4

Major Projects 2009

Misc. Street Improvements	2009	5,000	23,000	7,000	/3
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Region I Capital Items Stipulated between DRA and GSWC

Project	Year	DRA	GSWC	Settlement	Footnote
Pineview, Alamo & Tapo- Tide Flex Valves	2009	113,000	176,000	120,000	/3
Valves	2009	3,000	35,000	10,000	/3
Katherine Avenue Main Extension	2009	45,000	234,000	185,000	/3
Brinelline Study (participation in regional study)	2009	0	117,000	117,000	/6
New Business Funded by GSWC	2009	25,000	25,000	25,000	/5
New Business Funded by Others	2009	300,000	300,000	300,000	/5
Meters	2009	96,700	106,500	96,700	/4
Services	2009	28,400	53,300	35,600	/4
Minor Main Replacement	2009	0	10,700	4,000	/4
Minor Pumping equipment	2009	4,800	5,300	4,800	/4
Minor Purification equipment	2009	4,800	5,300	4,800	/4
Office Furniture	2009	4,800	5,300	4,800	/4
Miscellaneous Tools and Equipment	2009	3,700	10,700	4,700	/4

/1 Includes GSWC Overhead and Contingency to be adjusted if necessary

/2 Includes GSWC Overhead to be adjusted if necessary

/3 Includes DRA Overhead and Contingency to be adjusted if necessary

/4 Includes DRA Overhead to be adjusted if necessary

/5 Settlement is a fixed amount that should not be adjusted for Overhead and/or Contingency

/6 Advice Letter - addressed in section 2.02 of the Stipulation.

/7 Tied to a challenged employee position

/8 Amount will be expensed to Outside Services